ACME HOLDINGS BERHAD
(189740-X)

2019
Annual Report

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth Annual General Meeting of the Company will be held at Kelawai Room, Lobby Level, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Georgetown, Pulau Pinang on Wednesday, 28 August 2019 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon. **(Please refer to the Explanatory Notes)**

2. To approve the payment of Directors' fees and Directors' benefits of up to RM230,000 for the financial year ending 31 March 2020 **Ordinary Resolution 1**

3. To re-elect Dato' Sri Dr. Lee Kuang Shing who retires pursuant to Article 97(1) of the Company's Articles of Association (Constitution). **Ordinary Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 104 of the Company's Article of Association (Constitution):

   (a) Mr. Lim Shiou Ghay **Ordinary Resolution 3**

   (b) Mr. Tan Chee Keong **Ordinary Resolution 4**

5. To re-appoint Messrs. Grant Thornton as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business:

To consider and if thought fit, to pass with or without modifications the following ordinary / special resolution:-

ORDINARY RESOLUTION

6. **AUTHORITY TO ISSUE SHARES**

"That pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant Governmental and / or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 6**

7. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

THAT the Company's existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in Appendix "A" accompanying the Company's 2019 Annual Report be adopted as the new Constitution of the Company with immediate effect. **Special Resolution 1**

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and / or expedient in order to give full effect to the Proposed Adoption of new Constitution with full powers to assent to any conditions, modifications and / or amendments as may be required by any authorities to give effect to the Proposed Adoption of new Constitution of the Company.

8. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

WONG YEE LIN (MIA15898)
HING POE PYNG (MAICSA 7053526)
Company Secretaries

Penang

Date: 29 July 2019

Notes:-

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-E, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his / their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 64(3) of the Company's Articles of Association (Constitution) and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 15 August 2019 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and / or speak and / or vote in his / her behalf.
8. All resolutions as set out in this notice of Twenty Ninth Annual General Meeting are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.
This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits
The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for 2020 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

Explanatory Note on Special Business

Ordinary Resolution 6 – Authority to issue shares
The proposed Ordinary Resolution 6, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

A renewal of this authority is being sought at the Twenty Ninth Annual General Meeting under proposed Ordinary Resolution 6.

This authority if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and / or settlement of banking facility(ies).

Special Resolution 1- Proposed Adoption of New Constitution of the Company
This Special Resolution 1, if passed, will align the Constitution with the Companies Act, 2016 which came into force on 31 January 2017, the updated provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and prevailing laws, guidelines or requirements of the relevant authorities, to enhance administrative efficiency and provide greater clarity.

Please refer to Appendix "A" despatched together with the Notice of the Twenty Ninth Annual General Meeting and the Annual Report 2019.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his / her proxy consent to the Company (and / or its agents / service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

Dato' Sri Dr. Lee Kuang Shing	*(Executive Chairman)*
Ooi Soon Hong	*(Executive Director)*
Lee Chiong Meng	*(Independent Non-Executive Director)*
Lim Shiou Ghay	*(Independent Non-Executve Director)*
Tan Chee Keong	*(Independent Non-Executve Director)*
Datin Sri Tan Siew Hong	*(Executive Director) (Retired w.e.f. 20 August 2018)*
Dato' Beh Heng Teong	*(Independent Non-Executive Director) (Resigned w.e.f. 28 September 2018)*
Andrew Su Meng Kit	*(Non-Independent and Non-Executive Director) (Resigned w.e.f. 10 July 2019)*

AUDIT COMMITTEE

Chairman
Lim Shiou Ghay *(Appointed w.e.f. 1 October 2018)*

Members
Lee Chiong Meng
Tan Chee Keong *(Appointed w.e.f. 21 May 2019)*
Andrew Su Meng Kit *(Resigned w.e.f. 10 July 2019)*

NOMINATION COMMITTEE

Chairman
Lim Shiou Ghay *(Appointed w.e.f. 1 October 2018)*

Members
Lee Chiong Meng
Tan Chee Keong *(Appointed w.e.f. 10 July 2019)*
Andrew Su Meng Kit *(Resigned w.e.f. 10 July 2019)*

REMUNERATION COMMITTEE

Chairman
Lim Shiou Ghay *(Appointed w.e.f. 1 October 2018)*

Members
Lee Chiong Meng
Tan Chee Keong *(Appointed w.e.f. 10 July 2019)*
Dato' Sri Dr. Lee Kuang Shing *(Resigned w.e.f. 10 July 2019)*

COMPANY SECRETARIES
Hing Poe Pyng (MAICSA 7053526) *(Appointed w.e.f. 31 Jan 2019)*
Wong Yee Lin (MIA 15898) *(Appointed w.e.f. 22 July 2019)*

PRINCIPAL PLACE OF BUSINESS
1, 2, 7 & 8, Jalan PKNK 3, Kawasan Perusahaan LPK Fasa 3
08000 Sungai Petani, Kedah
Tel: 04-4426888
Fax: 04-4426448
Website: http://acmeholdings.com.my/

REGISTERED OFFICE
51-8-E, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-3736616
Fax: 04-3736615

AUDITORS
Grant Thornton (AF: 0042)
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-2287828
Fax: 04-2279828

PRINCIPAL BANKERS
United Overseas Bank (Malaysia) Berhad (271809-K)
HSBC Bank Malaysia Berhad (127776-V)
CIMB Bank Berhad (13491-P)

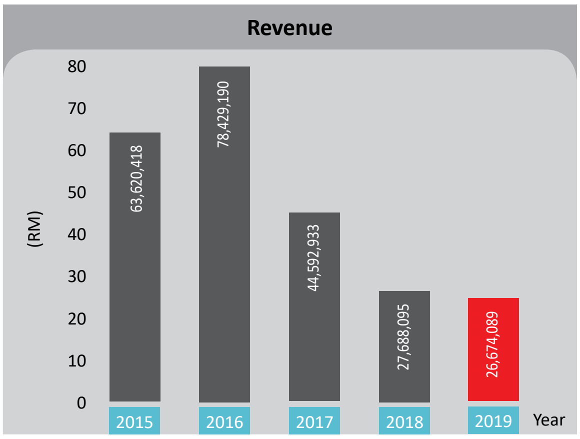
SHARE REGISTRAR
Plantation Agencies Sdn. Bhd. (2603-D)
3rd Floor, 2 Lebuh Pantai
10300 George Town, Penang
Tel : 04-2625333
Fax: 04-2622018

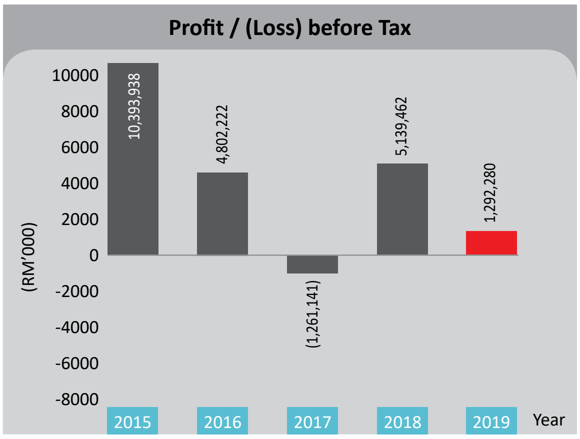
STOCK EXCHANGE LISTING
Main Market of the Bursa Malaysia Securities Berhad
Stock Name : ACME
Stock Code : 7131

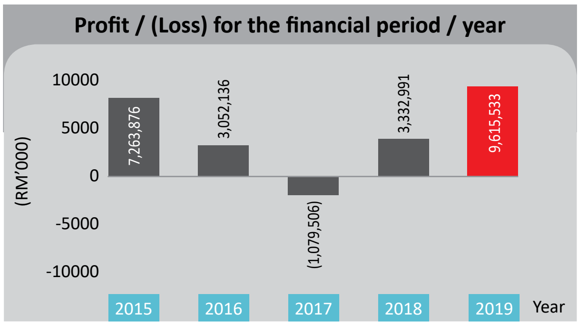
Five Years Group Financial Highlights

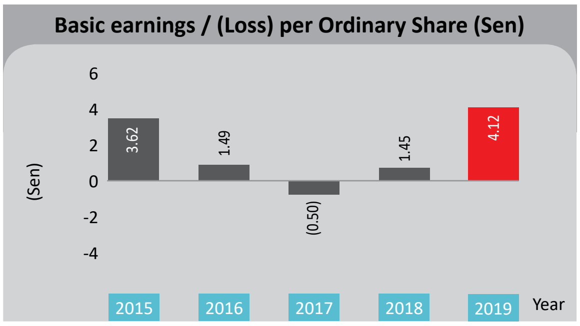
	2015 (RM)	2016 (RM)	2017 (RM)	(Restated)# 2018 (RM)	2019 (RM)
Revenue	63,620,418	78,429,190	44,592,933	27,688,095	26,674,089
Profit / (Loss) before Tax	10,393,938	4,802,222	(1,261,141)	5,139,462	1,292,280
Profit / (Loss) for the financial period / year	7,263,876	3,052,136	(1,079,506)	3,332,991	9,615,533
Basic earnings / (loss) per Ordinary Share (Sen)	3.62	1.49	(0.50)	1.45	4.12
Equity attributable to owners of the Company	58,475,459	61,605,729	60,554,020	69,688,794	79,272,400
Net Assets per Share	0.28	0.29	0.29	0.30	0.34
No. of shares issued (in units)	209,703,500*	209,703,500*	209,703,500*	229,973,500*	229,973,500*

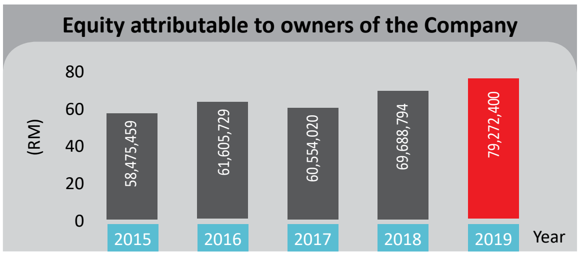
* Excluding 8,784,500 Ordinary Shares held as Treasury Shares
# Restated to conform with the adoption of the Malaysian Financial Reporting Standards Framework

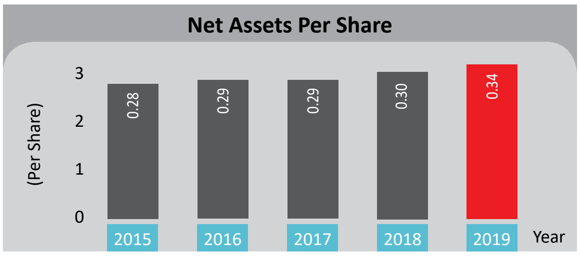












Dato' Sri Dr. Lee Kuang Shing
Male
Executive Chairman

Dato' Sri Dr. Lee Kuang Shing, Malaysian, aged 60, was appointed to the Board as an Executive Director on 27 February 2008.

He is the founder of Supportive Technology Sdn Bhd ("ST") and has been in the audio speaker industry for more than 11 years. He is involved in the formulation and monitoring of the ST's goals and oversees the management and operational matters of ST besides setting ST's sales and marketing strategies. At present, he is the Managing Director of ST, he also sits on the board of several other private limited companies. He does not hold any directorship in any other public companies and listed issuers.

Ooi Soon Hong
Male
Executive Director

Mr. Ooi Soon Hong, Malaysian, aged 59, was appointed to the Board as an Executive Director on 8 December 2017. He is a member of the Malaysian Institute of Accountants (MIA). He started his career under training with several reputable accounting firms where he qualified as a certified accountant with the Association of Chartered Certified Accountants (United Kingdom). He has more than 26 years of working experience in public accounting firms, real estate development and construction businesses. He also sits on the board of several other private limited companies. He does not hold any directorship in any other public companies and listed issuers.

Lee Chiong Meng
Male
Independent Non-Executive Director

Mr. Lee Chiong Meng, Malaysian, aged 50, was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He is an Architect by profession. He graduated with a Bachelor of Architecture Degree from the University Technology Malaysia (UTM) in 1994 and obtained 'The Best Designer' in Architecture Award during his final year thesis. He has developed a working experience in architecture practice, urban planning on real estate properties from various countries such as Abu Dhabi UAE, Vietnam, Thailand and Cambodia and Malaysia. He is currently leading a consortium team consisting of Architects, Civil & Structural Engineers, Landscape Architects, Interior Designers, Perspective & Graphic Illustrators and Model Making. He does not hold any directorship in any other public companies and listed issuers. He is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Lim Shiou Ghay
Male
Independent Non-Executive Director

Mr. Lim Shiou Ghay, Malaysian, aged 46, was appointed as an Independent Non-Executive Director of the Company on 1 October 2018. He is an Engineer by profession. He graduated with a Bachelor of Science (Mechanical Engineering) Degree from the Mississippi State University in 1997. He also sits on the board of several private limited companies. He does not hold any directorship in any other public companies and listed issuers. He is the Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Tan Chee Keong
Male
Independent Non-Executive Director

Tan Chee Keong, Malaysian, aged 39, was appointed as an Independent Non-Executive Director on 14 May 2019. He graduated as a BSc. (Hons) in Applied Accounting and is also a member of the Association of Chartered Certified Accountants (ACCA United Kingdom).

He has more than 18 years of experience in corporate finance, investment banking, private equity, mergers and acquisitions, treasury and accounting. He has been working with leading investment bank, conglomerates and consulting. He does not hold any directorship in any other public companies and listed issuers. He is a member of the Audit Committee and the Nomination Committee.

ADDITIONAL INFORMATION ON THE DIRECTORS

Family relationship with any director and / or major shareholder
None of the Directors have family relationship with any other Directors and / or major shareholders of Acme Holdings Berhad.

Other than traffic offences, none of the Directors have any conviction within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Conflict of Interest
The Directors have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

Profile of Key Senior Management

Ooi Ah Chin
Female
Property Manager

Ms. Ooi Ah Chin, Malaysian, aged 55, was appointed as the Property Manager on 1 March 2009. She started her career as the Sales Manager in Cayman Development (K) Sdn Bhd and Isaga Mergong Sdn Bhd from 1986 to 2005. She is responsible for the Sales and Administration Department of the Group's Property Division.

Teoh Boon Lean
Male
General Manager

Mr. Teoh Boon Lean, Malaysian, aged 52, was appointed as General Manager on 3 October 2017. He has more than 16 years experience in plastic injection moulding industry. He is responsible for the overall operations of Supportive Technology Sdn. Bhd. He graduated with Bachelor Degree in Economics from Universiti Utara Malaysia in 1992.

Yeong Weng Soon
Male
National Sales Manager

Mr. Yeong Weng Soon, Malaysian, aged 53, was appointed as National Sales Manager on 1 March 2015. He has more than 26 years experience in sales and marketing of consumer products. He is the head of the marketing department of Supportive Technology Sdn Bhd.

Lee Thean Yew
Male
Chief Financial Officer

Mr. Lee Thean Yew, Malaysian, aged 55, was appointed as Group Financial Controller on 1 January 2018. He is a qualified accountant who graduated with Bachelor Degree of Accountancy (with Honours) from University of Malaya in 1988. He has been a member of the Malaysian Institute of Accountants (MIA) since 1992. He has more than 26 years of working knowledge in accounting disciplines such as financial accounting, compliance reporting, budgeting, taxation and systems development. He was promoted to Chief Financial Officer on 28 May 2018.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Any directorship in public companies and listed issuers
None of the Key Senior Management hold any directorship in public companies and listed issuers.

Family relationship with any director and / or major shareholder
None of the Key Senior Management have any family relationship with the Directors and / or major shareholders of Acme Holdings Berhad.

Conflict of Interest
The Key Senior Management have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

Other than traffic offences, none of the Key Senior Management have any conviction within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Sustainability Statement

SUSTAINABILITY APPROACH

As ACME Holdings Berhad ("ACME" or "the Group") progress towards creating a sustainable outlook for our business operations and socio-environmental practices, we are aware of the role we play as a responsible entity within our industry. Contributing to the economic development of our operations whilst sustaining a positive impact towards the natural environment and surrounding communities have been recognised by the Group as the key towards creating a sustainable value chain.

Hence, in line with such recognition, ACME is dedicated to achieving the following:-

✓ Commit to a high level of governance and ethical conduct of business within all our area of operations;
✓ Limit any negative impact towards the environmental as a consequence of our operations, through lean, efficient and systematic practices;
✓ Encourage positive contribution back to the society in which we serve and operate in through supports and donations, where possible.

From the progress we have made this year, this Sustainability Statement ("Statement") reflects our performance and its achievement in making the necessary steps towards achieving our sustainability goals. Moving forward, we will actively engaged in developing our approach further as to benchmark better accomplishments in creating a sustainable growth.

REPORTING SCOPE AND BOUNDARY

This Statement is prepared based on the requirements and guidance of Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") – Practice Note 9 and the Sustainability Reporting Guide issued by the Exchange.

We have scoped our reporting boundary to encompass all key subsidiaries which cover practices and achievements of the Group's main nature of business rather than every aspect of its operations. Furthermore, the Statement excludes any outsourced activities, joint ventures as well as matters relating to the aspect of Economic, Environmental and Social ("EES") related to or caused by the Group's value chain, involving our vendors, suppliers and business partners.

Further details of the scope of the Statement are as defined below:-

- *SCOPE OF REPORT* - 1 April 2018 to 31 March 2019
- *REPORTING CYCLE* - Annually
- *PRINCIPLE GUIDELINES* - Bursa Malaysia's Sustainability Reporting Guide
- *COVERAGE* - ACME and its subsidiaries

In order to reflect a comprehensive representation, this Statement is to be read together with the Management Discussion and Analysis ("MDA") in this Annual Report, which reports both our financial and operational performance during the financial year.

FEEDBACK

This Statement is available for download at our corporate website at https://acmeholdings.com.my/. In line with the Group's dedicated engagement with our stakeholders, we welcome any feedback, comments and suggestions on our performance or practices within the aspect of EES under this Statement.

GOVERNANCE STRUCTURE

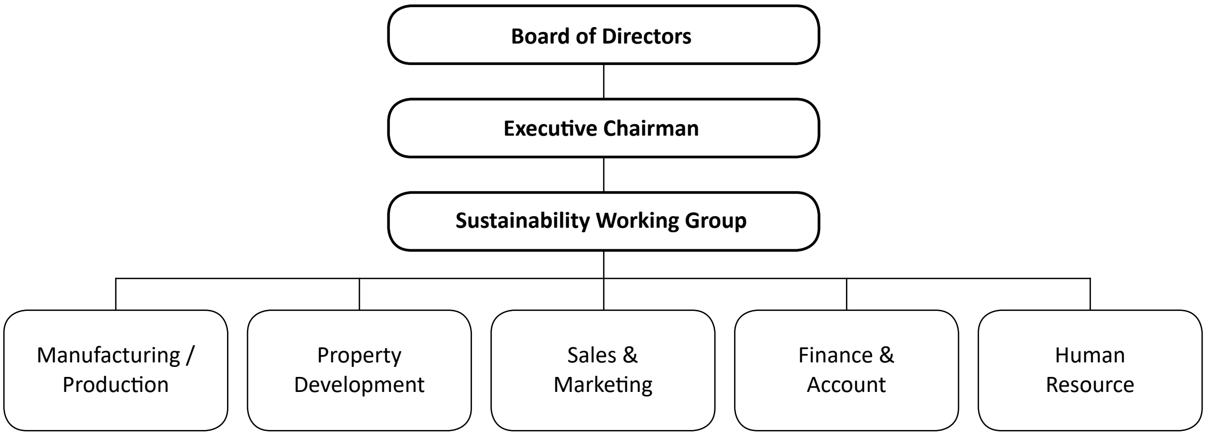
As part of our sustainability governance structure, a Sustainability Working Group ("SWG") was formed by the Board of Directors ("Board") of ACME during the year. With the objective of having a dedicated team as liaison and support to the Board, the SWG was set up to administer the process of identifying, executing, assessing and overseeing our EES related policies and procedures in establishing sustainability.

The SWG is presently led by our Executive Chairman and comprises various Key Senior Management personnel across our main operations and support functions. This all-inclusive structure is developed to ascertain that every aspect of the Group's operations and surroundings are considered when determining our sustainability ambition.

Furthermore, this composition allows for an effective discharge of sustainable strategies, in which each member of the SWG is responsible for the execution and oversight of practices within their area of responsibilities. Besides, is it also to encourage a positive sense of accountability within our team towards each effort taken to ensure sustainability under the Group.

From the inception, we have stipulated that the SWG will meet at least once a year, whenever such a need arises or when instructed by the Chairman, in deliberating the progress of our efforts and its performance during the year. Hence, following every meeting, the SWG will report to the Board progressively throughout the year. This reporting framework is to ensure that adequate consideration is allocated by the SWG and proper assurance are attained from the Board in determining our course of sustainable actions.

A simplified layout of our governance structure is as follows:-



In recognising that this structure is still at its early stages, the SWG will seek to further expand its role as our sustainability framework develops in the future. Ultimately, the aim is that the SWG will provide the Group with the necessary support to achieve viable EES goals within proper structure of internal controls and risk mitigation practices.

STAKEHOLDERS ENGAGEMENT

Stakeholders is one of the main component to uphold within our journey towards achieving sustainability. It is through our active engagements with stakeholders, we are able to attain feedback and insights beyond our perception in initiating and carrying out efforts in line to their expectations. For the purpose of defining our engagements, stakeholders are defined as individual or entity or group who are impacted by our business operations or presence and those who have vested interest alongside the potential to influence our practices.

From the various means of engagement during the year, the Group managed to develop an approach in gathering valuable and objective input from our stakeholders with the aid of our management team. In addition, a stakeholder mapping exercise was undertaken in which we assess and prioritise individual group of stakeholders based on their influence and interest in our operations. This is to assist us at focusing our initial efforts on matters which are of fundamental importance to our primary stakeholders.

Through the exercise, the Group managed to identify and accumulate six (6) key stakeholder groups which were actively engaged throughout the year. A summary of the stakeholders and our means of engagement is as within the table below:-

Stakeholder	Means of Engagement	Frequency
Customer	• Contract Negotiation • Customer Service Practice • Meeting / Discussion • Press Release / Announcement • Corporate Website	• Ad-Hoc • On-Going • Ah-Hoc • Ad-Hoc • On-Going
Government / Regulatory Body	• Report Submission • Audit / Inspection Visit • Press Release / Announcement • Corporate Website	• Ad-Hoc • Ad-Hoc • Ad-Hoc • On-Going
Shareholder	• Annual General Meeting • Annual Report • Quarterly Result Announcement • Press Release • Corporate Website	• Annually • Annually • Quarterly • Ad-Hoc • On-Going
Employee	• Training / Workshop Session • Meeting / Discussion • Grievances Procedures	• Ad-Hoc • Ah-Hoc • On-Going
Supplier / Vendor	• Meeting / Discussion • Supplier Registration & Evaluation • Contract Negotiation • Verbal Feedback	• Ad-Hoc • Ad-Hoc • Ad-Hoc • On-Going
Public	• Press Release / Announcement • Corporate Website	• Ad-Hoc • On-Going

In order to realise the full advantage of this avenue, the Group will continue to explore other means of engagement alongside finding opportunities in expanding the coverage of our group of stakeholders in the future.

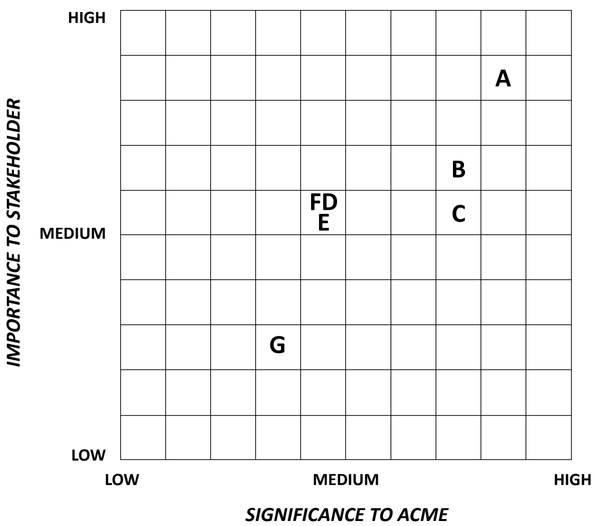
ASSESSMENT OF MATERIALITY

Based on our sustainability framework, ACME reviews and organises its sustainability practices and policies around a materiality assessment. With the combination of input from our stakeholders and our internal insight, an exercise was carried out to assess and determine all sustainability matters relevant to the Group. Results from the assessment provided the Group with beneficial information that aided us in identifying issues where our efforts and resources are to be directed at. With regards to the assessment, materiality is defined as those which are relevant to our stakeholders and may represent a positive or negative impact to the Group.

During the year, the materiality assessment was completed by the SWG and with the outcome reviewed against internal guidelines and industry benchmarking practices. Thereafter, the results of assessment were escalated to the Board for further deliberation.

In overall, the Group highlighted seven (7) key sustainability matters as material, in which all main efforts carried out during the year were targeted on. For reference, each of these matters are as indicated within the materiality matrix below which reflects every matters' level of significance to the stakeholders and its degree of impact to the Group. Moreover, the matters were categorised under its relevant EES heading for added reference.

Materiality Matrix



	Sustainability Matters
A	Ethical Conduct of Business
B	Health and Safety Efforts
C	Employee Engagement & Development
D	Sustainable Manufacturing Process
E	Environmentally Targeted Initiatives
F	Strategic Procurement Practice
G	Community Contributions & Donations

Economic
Environmental
Social

In summary, all efforts carried out during the year in addressing the abovementioned matters were consistent and adequate between one another, in reflection that all matters are inter-dependence and of equal importance.

OUR SUSTAINABLE PERFORMANCE

ECONOMIC

Ethical Conduct of Business

With the ongoing demands and expectations for compliance within our business environment, the Group has consistently endeavour at making progress and maintaining performance in carrying out our practices impartially. This viewpoint has been set as our highest priority in which all compliance related matters are handled with utmost consideration and attention.

Principally, the Group are to observe and comply with all laws, regulations and voluntary codes in relation to:-
- Construction and Development Activities
- Manufacturing Operations
- Occupational Health and Safety Standards
- Environment
- Labour Practices
- Information Database

By focusing our efforts at ensuring compliance with all relevant rules and regulations, we are able to carry out our operations efficiently and without interruptions, hence ascertaining the sustainability standpoint of our business. Similarly, control policies and procedures are maintained within the Group at ensuring that all aspect of compliance are noted and complied with.

Such measures are subjected to regular review and update, where necessary, in order to ensure its effectiveness and suitability. Moreover, we also perform active engagements and consultations with authority bodies in ensuring that the Group is always updated with knowledge on our compliance obligations and its relevant developments.

Similarly, our compliance dedicated efforts are also extended into achieving good governance in line with the guided practices of Bursa Malaysia's Main Market Listing Requirements ("MMLR"), Malaysia Code of Corporate Governance ("MCCG") and other related guidelines. In conclusion, there were no instances of non-compliance with the laws and regulations within the financial year ("FY") of 2019.

In addition, the Group's whistleblowing practice is also available to encourage any internal or external reporting of malpractices, wrong-doings or incompliances that may have been overlooked by the Group and its control framework. This secure channel of communication is to ensure that stakeholders can provide valuable feedbacks in confidence whenever such circumstances arise. From expanding our outlook with such external viewpoint, the Group is well-equipped at addressing more issues on a prompt and invariable basis. For FY 2019, there were no cases reported through our whistleblowing channels.

Strategic Procurement Practice

In sustaining the strategic development of our business operations, the Group has always relied upon the support and contribution of our key suppliers and vendors. Therefore, we are constantly committed at ensuring that all engagements with our suppliers are carried out through a transparent, fair and mutually beneficial manner.

The Group's practices are generally governed based on an internal procurement policy which was developed to ensure that all aspect of procurement are adequately controlled whilst ensuring fair competitiveness for all our suppliers. In order to effectively ensure that suppliers are positively engaged, the Group has since established a preliminary screening process for our suppliers along with plans to initiate an organisation wide evaluation exercise later on.

Besides establishing practices to ensure that each supplier is assessed adequately, it will also act as an engagement tool for suppliers and the Group to communicate constructive feedbacks for future improvement. On the other hand, ACME also focuses at sourcing suppliers or vendors local to its areas of operation. This is in order to ensure that our procurement practice causes minimal sub-impact, for e.g., from the logistic or transportation requirement in completing a purchase, as well as to provide an indirect boost to the local economic landscape.

As for FY 2019, ACME managed to source a total of 97% of our supplies locally, based on an analysis of our top ten (10) suppliers (by the amount of purchase) for the year. As we look towards improving our approach at ensuring sustainable procurement practice, further results of our performance shall be gathered and disclosed in our future reporting.

ENVIRONMENTAL

Sustainable Manufacturing Process

Throughout our operating history, ACME had maintain a strong recognition of the impact that our plasticware products manufacturing business segment has on the environment. With that in mind, we are fundamentally committed as ever to ensure that all aspect of our operations contribute positively towards and reduce any negative consequences on our environment.

The focus to ensure that our manufacturing process contributes less environmental impact is embedded within the initial phase of the process itself, at the point of sourcing for our raw materials. At present, the main component of raw material in our production, i.e. resin, is mainly sourced and purchased as recycled resin rather than new resin components. For FY 2019, a total of 65% of our resin purchases were in the form of recycled resin rather than new resin. From this practice, the Group is able to ensure that the primary component of our production is secured from sustainable sources which indirectly lead to a reduction of our potential carbon footprint.

Furthermore, we have also continued our recycling practice at our factory to facilitate an internal recycling process for defective or sub-standard finished goods or parts. In practice, the items are transported to our designated recycling area once they are flagged as to not meet the intended specifications or do not comply with our quality control requirements. Thereafter, the products or parts will be segregated by quality, condition and colour prior to being ground accordingly. Once the plastic components have been ground into particles, they will be stored in bags and returned to the production floor awaiting for use as raw materials. Through this in-house recycling practice, the Group managed to develop an alternative sustainable source of raw materials for our production process.

Besides, the Group ascertains that measures are in place within our production process which are aimed at maintaining and improving efficiency and ultimately reducing waste generation and raw materials consumptions. Among which, is our effort to ensure all machineries are managed and maintained at its optimum conditions through regular inspection and scheduled maintenance practices. This is in line with the Group's notion that by ensuring that our machineries are functioning at its utmost capacity, our manufacturing process is well-equipped to effectively consume raw materials, generate better output and produce lesser wastages.

Conclusively, through such efforts, the Group aimed to achieve lean and efficient manufacturing practices as well as to be an active participant in diminishing the impact of our operations on all aspect of the environment.

Environmentally Targeted Initiatives

In order for the Group to be sustainably involved with other aspects of environmental conservation, we have continued the execution of additional targeted initiatives during the year.

One key measure in place is through the enforcement of strict recycling practice within our organisation for all recyclable items generated from our activities. Items such as used wrapping film, plastic storage bags, paper cartons, papers and etc. are assessed on its recyclability prior to being placed within containers prepared within a designated area within the factory for disposal. With reference to the current practice, recycling vendors are engaged for the collection of recyclable items on a bi-monthly basis or whenever such a need arises.

In addition, we also implement active monitoring over our energy and water consumption throughout the Group's various areas of operation. This is to ensure that our utilities consumption are monitored and managed at a reasonable and conservative manner, in which when an unusual deviation is identified, it shall be investigated and resolved accordingly. Such control is complemented by initiatives of our employees, who are encouraged to conserve the consumption of water and energy, through practices such as:-

✓ Limit the usage of air conditioners operating at a given space and time;
✓ Switch off lights and other electrical appliances once they are not in use:
✓ Turn off water features immediately after finished using;
✓ Fix water connections as soon as a leakage is spotted and etc.

As we progress and develop our business further, we will look at other avenues to devote our efforts, to ensure that we provide a sustainable input towards maintaining the environment positively.

<u>SOCIAL</u>

Health and Safety Efforts

At ACME, we are determined to ensure a safe and healthy working environment for our employees and other stakeholders of the Group. With that objective in mind, we are constantly investing at maintaining our occupational health and safety practices and above that, implementing policies and stringent measures to actively monitor and improve our safety performance. Overall, all initiatives are taken beyond the basic requirements to comply with laws and regulations related to our operations such as Occupational Safety and Health Act, 1994, Environmental Quality Act, 1974, Factories and Machinery Act, 1967 and Fire Services Act, 1988.

Guided by our Safety and Health Policy, the following various health and safety related measures are currently practiced and maintained within the Group:-

- Safety and Health Committee;
  - A working group consisting key management personnel from each department that is tasked to develop, assess and oversee all our safety and health practices.
- Emergency Response Team;
  - A team that is prepared to respond, assist and address any emergency or hazardous incident within the area of operation.

- Safety Equipment;
  - Equipment such as safety shoe, safety vest, safety goggle, face mask, earplugs and etc. are adequately maintained and provided for the use of our employees and other stakeholders, when required. Additionally, provision of first aid kits are available throughout our operations for convenient access.
- Firefighting Equipment and Facilities; and etc.
  - Our operating premise is furnished with adequate firefighting equipment such as fire extinguishers, water hose reels and water storage tanks that are regularly inspected and maintained.

During the year, there were no major incident occurred within our operating premises, which disrupted our operation or caused any significant harm to our employees or any other stakeholders. The Group pursue to ensure that by seamlessly incorporating a safe and healthy culture within our daily operations, employees' confidence and morale are supported when working at the Group.

Employee Engagement and Development

Our success as a organisation has been dependant upon the support laid down by our employees. By acknowledging that commitment, we have consistently carried our initiatives in contributing back to our employees. Among others are the activities and programs organised during the year in which were targeted at fostering teamwork, encouraging healthy interactions between employees as well as to serve as an act of commendation for their efforts.

Besides such active means of engagement, we have also ascertain that our employees are provided with proper avenue to communicate their criticisms, doubts or issues in confidence and anonymously when required, through our grievances or whistleblowing procedures. This additional avenue provides the Group with an approach to insights that may not be apparent in a normal circumstance, thus leading to actions in addressing issues prior to any potential significant consequences.

On the other hand, the Group also constantly look towards providing our employees with the best opportunities for their career and personal development needs. By providing employees with trainings to develop their technical knowledge and skills, employees may further reach their potential while assuring a positive effect towards the operation of the Group.

At present, trainings are identified and planned on an annual basis based on job or operation requirements and career intentions of each employee. Following each training, employees are obliged to assess and review the training programme in order to provide the Group with key information that may be useful at allocating future productive trainings.

The Group will continuously showcase our long-term gratitude towards appreciating efforts from employees in our success as we learn and adapt to further commitments in supporting our human resources.

Community Contributions & Donations

While ACME progress through its development and growth as a business, we have been persistent on playing a forward-looking role at fulfilling our social responsibility at contributing back to our community where possible. Through encouragement and direction from our Senior Management team, the Group has continued its efforts at contributing aids and donations to local society and organisation which supports the underprivileged as well as promotes cultural events.

During the year, we donated to a local orphanage and a senior nursing home with a variety of our products that ranges from containers, storage boxes, racks, tableware and many more, in order to refurbish each recipient's fittings. Similar efforts will be taken up by the Group in the future as we look forward at contributing to a wider region of our community.

On a separate note, the Group also enforces key significant controls with adequate placement of resources in managing our low cost residential project at Teluk Air Tawar, which is currently in the midst of its development stage. Even though as the project is part of our regulated responsibility, we have worked rigorously in ensuring that the project is well managed and meets specifications beyond its basic requirements. While considered to be an opportunity for the Group to indirectly assist low income society group, we are committed to ascertain that the development project achieve the best output conclusively.

In bridging the gap between our current efforts and the goals which the Group intend to achieve with the community, we will commit to more initiatives that are aimed at providing a wider range of assistances to the public in the future.

SUSTAINABLE FUTURE

Throughout this journey at implementing our sustainability reporting framework, the Group manage to reassess its performance from valuable key perspectives and identify areas whereby improvements are possible and needed. Hence, our progression forward will be to ensure that our business will invariably lead to a sustainable balance between strategic economic growth, good environmental governance and embedded social awareness and support.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Acme Holdings Berhad ("ACME" or "the Company") recognises the importance of good corporate governance and is committed to ensure that good corporate governance is being practised by the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

The ensuring paragraphs in this Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code").

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.1 Strategic Aims, Values and Standards

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations.

The Board delegates and confers some of its authorities and discretion on the Executive Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising mainly Non-Executive Directors as at financial year end 2019 ("FYE' 19"). The role of Management is to support the Executive Directors and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Company and the Group.

The Board Committees are made up of the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"); and are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR").

The Chairman of the relevant Board Committees reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the Non-Executive Directors are independent of the Management. Their roles are to constructively challenge the Management and monitor the success of the Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning the Management and oversight of the Company's business and operations.

Key matters reserved for the Board's approval include the annual business plan and budget, capital management and investment policies, authority limits / levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposition of assets.

In discharging its stewardship, the Board is constantly mindful of safeguarding the interests of the Group's stakeholders and is ultimately responsible for the performance of the Group. The Board assumes the following core responsibilities:

- Reviewing and adopting strategic plans for the Group;
- Overseeing the conduct of the Group's business;
- Identifying principal risks and ensuring the implementation of appropriate internal control and mitigation measures;
- Succession planning;
- Overseeing development and implementation of shareholder communication policy; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems of the Group.

I. BOARD RESPONSIBILITIES (cont'd)

1.1 Strategic Aims, Values and Standards (cont'd)

In order for the Board to clearly execute its duties and responsibilities along with the roles played by the Board Committees and the Management, the Board adopted a Board Charter outlines the roles, duties and responsibilities the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management.

The Board Charter is subject to periodic review to ensure that it continues to be relevant and applicable as a reference to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. In addition, the Board Charter also contains formal schedule of matters reserved by the Board for deliberation and decision.

The Board is satisfied with the amount of time committed by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evident by the attendance record of the Directors at Board meetings.

The Board meets on a quarterly basis with additional meetings held whenever necessary. The Board met four (4) times during the year under review. The meeting attendance record of the Directors is as follows:

	Number of meetings	
Name of director	**Held**	**Attended**
Dato' Sri Dr. Lee Kuang Shing	4	4
Ooi Soon Hong	4	4
Lee Chiong Meng	4	4
Lim Shiou Ghay (appointed 1 October 2018)	2	2
Tan Chee Keong (appointed on 21 May 2019)	-	-
Andrew Su Meng Kit (resigned on 10 July 2019)	4	4
Datin Sri Tan Siew Hong (resigned on 20 August 2018)	2	2
Dato' Beh Heng Teong (resigned on 28 September 2018)	2	2

To ensure that the Directors have the time to focus on fulfilling their roles and responsibilities effectively and in line with the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("LR"), a Director of the Company must not hold directorships of more than five (5) Public Listed Companies and must be able to commit sufficient time to the Company.

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission of Malaysia accordingly.

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

The details of training attended by the rest of the Directors during FYE' 19 are as follows:

Name of Director	Course Title	No. of days spent
Lim Shiou Ghay	Mandatory Accreditation Programme	2 Days

In future, the Nomination Committee ("NC") will continue to evaluate training needs amongst the Directors and recommend to the directors any relevant and useful training programmes.

I. BOARD RESPONSIBILITIES (cont'd)

1.2 Chairman of the Board

The Chairman, who holds an executive position, provides leadership and governance on the Board in discharging responsibilities for the business and affairs of the Group and its oversight of the Management in order to create a conducive environment geared towards building and growing Directors' oversight and effectiveness and ensure that appropriate issues are discussed and addressed by the Board in a timely and congenial manner.

1.3 Separation of the position of Chairman and the Managing Director

The role of the Managing Director is assumed by the Executive Chairman, Dato' Sri Dr. Lee Kuang Shing. The Board is satisfied with the current Board composition as it comprised majority of independent directors.

1.4 Qualified and competent Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and deliberations at the Board and Board Committee meetings are well documented and recorded. The Company Secretaries also keep the Board updated on changes in the Bursa Securities LR and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board.

1.5 Access to information and advice

The Company Secretaries are competent, qualified and capable of providing the needful support to the Board in discharging its fiduciary duties.

The Company Secretaries, or their assistants, are present at all meetings to record deliberation, issues discussed and conclusions in discharging their duties and responsibilities and also provide advice in relation to relevant guides and legislations. Other roles of the Company Secretaries included coordinating the preparation of and future Board papers with the Management, ensure Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

2. Demarcation Of Responsibilities

2.1 Board Charter

The Board has made available its Board Charter on the corporate website. The document clearly sets out the roles and responsibilities of the Board and Board Committees and the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing existing and future Board members and the Management insights into the fiduciary and leadership functions of the Directors of the Company. The Board reviews its charter regularly, to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives. The Board reviewed its Charter on 28 June 2019 and the revised Board charter is available at its corporate website.

3. Good Business Conduct And Corporate Culture

3.1 Code of Ethics and Conduct

There is a formalised Board Code of Conduct which reflects the Board's commitment to ethics and compliance with applicable laws and regulations. The Board Code of Conduct provides guidance to its Directors on ethical standards which the Directors shall adhere to in carrying out their fiduciary duties and responsibilities. It sets out the principles that Directors need to observe particularly in respect of conflict of interest and no improper use of assets. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always taken into consideration. It is also a way of providing tangible evidence of their commitment to diligence, probity and fairness in exercising their duties and responsibilities to make informed decisions in the best interest of the Group.

3.2 Whistleblowing Policy

In line with good corporate governance practice, the Company has set out a whistleblowing policy which delineates whistleblowing procedures as an independent feedback avenue for the employees and stakeholders to raise genuine concern on unethical behaviour such as fraud, corruption, criminal offences and miscarriage of justice or endangerment of an individual's health and safety that is taken place to the Board. Multiple channels of reporting are set up to encourage stakeholders to report directly to the Head of Department or the Chairman of Audit Committee. Reports made shall be scrutinised promptly and appropriate course of action shall be implemented accordingly.

II. BOARD COMPOSITION

4. Board Objectivity

4.1 Board composition

As at FYE' 19, there are five (5) Board members; of which two (2) are Independent Directors and three (3) are Non-Independent Directors. In line with this, the Board composition complies with the Bursa Securities LR that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

On 14 May 2019, the Board has appointed Mr. Tan Chee Keong as Independent Director of the Company and Mr. Andrew Su Meng Kit had on 10 July 2019 resigned as a Non-Executive Director of the Company. Hence, the Board of the Company currently has majority of Independent Directors.

Further, the current composition of all Board Committees, which made up of only Independent Directors affirmed the Board's commitment towards independence to provide strong check and balance in the Board's functioning.

With the Independent Directors, being 60% of the Board composition, the Board has exceeded the composition recommendation for Independent Directors to comprise half (50%) of the Board. The Board is of the view that the present Independent Directors, with the breadth of professional and business background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, independent and unbiased opinion and viewpoints.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.

II. BOARD COMPOSITION (cont'd)

4. Board Objectivity (cont'd)

4.2 The tenure of an independent director

The Board is mindful of the recommendation of the Code for the tenure of an Independent Director not exceed a cumulative or consecutive term of nine (9) years. However, an Independent Director who had exceeded the prescribed nine (9) years may continue to serve the Board subject to re-designation as Non-Independent Non-Executive Director. As at to-date, none of the Independent Directors have served on the Board for a cumulative or consecutive term of nine (9) years.

4.3 Policy on the tenure of an independent director

The Board Charter limits the tenure of its Independent Directors to nine (9) years. In the event the Board intends to retain a Director as Independent Director after the latter has served a cumulative or consecutive term of nine (9) years, the Board must justify the decision and seek shareholders' approval at Annual General Meeting ("AGM").

4.4 Diverse Board and Senior Management Team

The Board is supportive of diversity on the Board and in Senior Management team. Appointment of members of the Board and Senior Management team are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.

4.5 Gender diversity

At present, the Company maintains a gender diversity policy which encapsulates the objectives, principles and measures of the Group's diversity culture. The Board is supportive in upholding gender diversity within the boardroom and the Management with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates.

Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined. Additionally, the Board will look into the scope and measures of the policy on a regular basis, in ensuring its on-going effectiveness and applicability.

Notwithstanding the absence of a female board member, the Group's female staff made up 32% of the total staff.

4.6 Diverse sources for new candidate(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment o directors. All candidates for appointment are first considered by the NC, taking into account the mixture of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

4.7 Nomination Committee

The NC comprised wholly of Independent Directors and its present composition is as follows:

Chairman	Lim Shiou Ghay (appointed on 1 October 2018)
	Dato' Beh Heng Teong (resigned on 28 September 2018)
Members	Lee Chiong Meng
	Tan Chee Keong (appointed on 14 May 2019)
	Andrew Su Meng Kit (resigned on 10 July 2019)

II. BOARD COMPOSITION (cont'd)

4. Board Objectivity (cont'd)

4.7 Nomination Committee (cont'd)

The NC would meet at least once annually with additional meetings convened on as and when needed basis.

The objectives of the NC are:

a) To recommend candidates to the Board of Directors. The NC shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of skills, experience and other core competencies. Based on the process and procedures laid out and ensure proper documentation of all assessment and evaluation on the effectiveness of the Board, the Board Committees and the contribution of each individual Director.
b) To recommend to the Board, Directors who are retiring by rotation to be put forward for re-election.
c) To evaluate training needs for Directors annually.
d) To arrange induction programmes for newly appointed Directors to familiarize themselves with the operations of the Group though briefings by the Managing Director.

During the year under review, key activities undertaken by the NC are summarized as follows:

a) Reviewed the composition, mixture of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.
b) Reviewed the level of independence of the Independent Directors.
c) Discussed the character, experience, integrity and competency of the Directors, chief executive or Chief Financial Officer and ensured that they have the time to discharge their respective roles.
d) Discussed and recommended the re-election / retention of Directors, as applicable at AGM.
e) Reviewed the term of office and performance of the AC and its members pursuant to para 15.20 of the Bursa Securities LR. The assessment was carried out by way of a discussion in the Board and self-evaluation by the AC given that the composition of the NC is the same with AC.
f) Conducted annual assessment on Board, Board Committees and individual Directors.

The TOR of the NC is published on the Company's website.

5. Board Assessment

5.1 Overall Effectiveness of the Board and Individual Director

It is the responsibility of the NC for the overall board effectiveness evaluation process, which includes an assessment of the Board, Board Committees and individual Directors. The appraisal which was carried out through documented questionnaires that comprises quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee was being circulated at the Meeting for assessment.

The NC, upon conclusion of the exercise carried out on 21 May 2019, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess the right blend of knowledge, experience and the appropriate mixture of skills. Additionally, Independent Directors were assessed to be objective in exercising their judgement.

III. REMUNERATION

6. Level and composition of Remuneration

6.1 Remuneration Policy

It is vital for the Group to attract and retain Directors of the necessary caliber to run the Group successfully. The Group has established RC to develop remuneration strategies that drive performance and provide levels of reward which reflect the performance of the Executive Directors and Key Management personnel.

III. REMUNERATION (cont'd)

6. Level and composition of Remuneration (cont'd)

6.1 Remuneration Policy (cont'd)

Procedures, such as establishing the remuneration framework of the Company, assessing and recommending the remuneration packages for Directors and Senior Management, and other relevant tasks are currently carried out by the RC prior to the necessary reporting to the Board. The RC recommends to the Board, the remuneration framework and package of the Executive Director, taking into consideration of the experience, level of responsibilities undertaken and the performance of each Executive Director. Directors' fees are recommended by the Board for approval by the shareholders of the Company at AGMs.

A remuneration policy in stipulating guidance over the administration of matters related to remuneration within the Company is in place.

The current remuneration policy of the Group is summarised as follows:

a) The Directors' salary for Executive Directors are set at a competitive level for similar roles within comparable markets, reflects the performance of the director, skills and experience as well as responsibility undertaken.
b) Fees and benefits payable to Non-Executive Directors are subject to approval by its shareholders at the AGM.
c) Meeting allowance – All the Directors are entitled to a fixed amount of allowance paid in accordance with the number of meeting attended during the year.
d) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

6.2 Remuneration Committee

At present, the RC consists wholly of Independent Directors as below:

Chairman	Lim Shiou Ghay (appointed on 1 October 2018)
	Dato' Beh Heng Teong (resigned on 28 September 2018)
Members	Lee Chiong Meng
	Tan Chee Keong (appointed on 14 May 2019)
	Andrew Su Meng Kit (resigned on 10 July 2019)
	Dato' Sri Dr Lee Kuang Shing (resigned on 10 July 2019)

The RC reviews and recommends matters relating to the remuneration of Board and Senior Management. The RC has established a written TOR that encompasses the authorities and duties of the RC. The said TOR is published on the Company's website.

The key duties of the RC included the following:

a) To determine and recommend to the Board the framework for the remuneration, in all forms, of the Executive Director and / or any other persons as the Committee is designated to consider by the Board, drawing from outside advice as necessary; and

b) To implement / maintain a reward system for Executive Director based on individual performance and the Group's results. The following factors shall be taken into consideration in determining the quantum of remuneration: position and scope of work, long term objectives of the Group, complexities of Group activities, individual performance, length of service, experience and mark-to-market salary.

III. REMUNERATION (cont'd)

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' remuneration

In order to enable stakeholders to assess whether the remuneration of Directors commensurate with their individual performance, the detailed disclosure on named basis for the remuneration of Directors during FYE' 19 is as disclosed below:-

A. Detailed Remuneration

	Remuneration				
Directors	**Fees (RM)**	**Salaries (RM)**	**EPF (RM)**	**Bonus (RM)**	**Total (RM)**
Received from Company & Group Level					
Dato' Sri Lee Kuang Shing*	20,000	427,546	94,020	30,800	572,366
Mr. Ooi Soon Hong**	20,000	195,829	21,600	16,800	254,229
Datin Sri Tan Siew Hong (resigned on 20 Aug 2018)****	8,333	105,824	26,400	9,856	150,413
Dato' Beh Heng Teong (resigned on 28 Sept 2018) ***	13,500	-	-	-	13,500
Received from Group Level					
Andrew Su Meng Kit (resigned on 10 July 2019)	12,800	-	-	-	12,800
Mr. Lee Chiong Meng	12,000	-	-	-	12,000
Mr. Lim Shiou Ghay	6,000	-	-	-	6,000
Total	92,633	729,199	142,020	57,456	1,021,308

* Further breakdown of the remuneration received by Dato' Sri Lee Kuan Shing is RM128,366 (received from Company Level) and RM444,000 (received from Group Level).

** Further breakdown of the remuneration received by Mr. Ooi Soon Hong is RM239,229 (received from Company Level) and RM15,000 (received from Group Level).

*** Further breakdown of the remuneration received by Dato' Beh Heng Teong is RM6,000 (received from Company Level) and RM7,500 (received from Group Level).

**** Further breakdown of the remuneration received by Datin Sri Tan Siew Hong is RM8,333 (received from Company Level) and RM142,080 (received from Group Level).

Mr. Tan Chee Keong did not receive any remuneration in financial year ended 31 March 2019.

7.2 Details of top 5 Senior Management's remuneration

7.3 Details of top five senior management's remuneration on name basis

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE ("AC")

8. Effective and independent AC

8.1 The Chairman of the AC is not the Chairman of the Board

The Chairman of the AC is Mr. Lim Shiou Ghay who is an Independent Director whereas the Chairman of the Board is Dato' Sri Dr. Lee Kuang Shing. Presently, the AC are comprised solely of Independent Directors.

8.2 Policy requiring former key audit partner to observe 2-year cooling off period

As at to-date, the Company has not appointed any former audit partner as a member of the AC.

Nevertheless the Board has updated within its External Auditor Assessment Policy to stipulate that no former key audit partner shall be appointed as a member of the AC unless he / she has observed a cooling-off period of at least two (2) years before the appointment.

8.3 Policy and procedures to assess the suitability, objectivity and independence of the external auditor

The AC has formalised a policy which stipulates the procedures to assess the suitability, objectivity, and independence of external auditors which encompasses consideration of the nature and extent of non-audit services provided external auditors alongside the appropriateness of the level of fees.

During the year, the AC conducted an annual assessment of the external auditors based on the following conditions:-
- the quality of audit procedures and work provided;
- the adequacy of experience, technical support and resources;
- the independence and objectivity of external auditors;
- the internal communication quality of external auditors with the Board and / or AC; and
- any other criteria deemed fit by the AC and / or the Board.

Additionally, the said policy stipulated circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors. During the year, the external auditors reported the details of the non-audit services rendered which includes review of the Statement on Risk Management and Internal Control.

Furthermore, the external auditors provided a confirmation to the AC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

On 21 May 2019, an annual assessment on the suitability and independence of external auditors was conducted by the AC. The AC, having assessed the independence of external auditors as well as reviewed the level of non-audit services rendered by them for FYE' 19, was satisfied with their competency, suitability and independence. The AC has recommended their re-appointment to the Board, upon which shareholders' approval will be sought at the Twenty Ninth AGM.

In addition to the above, the AC meets with external auditors at least twice a year to discuss their audit plans, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. Also, the AC meets with the external auditors additionally whenever the need arises. Two discussion sessions between the AC and the external auditors were held on 18 February 2019 and 21 May 2019 respectively. Furthermore, the external auditor attends every annual general meeting whereby the financial statements of the company for a financial year are to be laid to respond according to his knowledge and ability to any question raised in regards to the financial statements' audit.

8.4 Composition of the Audit Committee

Although not required to observe this set-up, the AC comprised solely of Independent Directors as the Board observes and values the independence of the AC.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT COMMITTEE ("AC") (cont'd)

8. Effective and independent AC (cont'd)

8.5 Diversity in skills of the AC

The members of the AC presently fulfills the requirement set out within the Bursa Securities LR – Chapter 15 (Sub-Point 15.09), which stipulates the necessary skills and experiences required to be a member of the AC.

Within the current composition of the AC, majority of the AC members have the necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities and provide an effective level of challenge to the Management. On an on-going basis, the AC members will participate in training and development sessions in order to ensure that the members are educated with the latest developments in accounting and auditing standards, guidelines and practices.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Effective risk management and internal control framework

9.1 The board should establish an effective risk management and internal control framework.

In order to be effective in discharging these responsibilities, the Board is assisted by the AC which functions as an oversight body to review controls and systems in general and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control practices within the organisation.

In addition to the abovementioned, the Board is supported by the Management in developing, implementing and monitoring practices for identifying and managing risks. This is added with the role of the Management to provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.

9.2 Disclosure on the features of its risk management and internal control framework

During the year, an assurance is provided by the Executive Chairman and Chief Financial Officer that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the year under review and up to the date of this Statement to the Board. Taking into consideration this assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations.

The key elements and overall state of the internal control and risk management framework of the Group have been disclosed accordingly within the Annual Report.

9.3 Establishment of a Risk Management Committee

The Board is in the process of considering to have a Risk Management Committee or to combine Risk Management Committee with AC.

10. Effective governance, risk management and internal control

10.1 Effective of internal audit function

As disclosed within the TOR of the AC, one of the primary responsibilities of the AC is to administer the review and assessment of the Company's internal audit function.

The internal audit function is currently outsourced to an external professional firm / service provider who reports directly to the AC, i.e. by providing independent and objective reports on the state of internal control of the various operations within the Group and the extent of compliance on established policies and procedures.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT COMMITTEE ("AC") (cont'd)

10. Effective governance, risk management and internal control (cont'd)

10.1 Effective of internal audit function (cont'd)

On an annual basis, the AC carries out an assessment on the performance of the outsourced internal audit function and reports such assessment to the Board.

Details of the internal audit function and activities relevant to the discharge of the AC's responsibilities are set out in the Statement on Risk Management and Internal Control and the Audit Committee Report of the Company's Annual Report 2019.

10.2 Disclosure on the internal audit function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm which is sufficiently resourced to provide the services that meet with the Group's required service level. The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system. The activities of the internal auditors during the financial year are set out in the AC Report in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between the Company and stakeholders

11.1 Effective, transparent and regular communication with its stakeholders.

The Board believes that effective communication fosters better understanding of the Group's objectives and financial performance. In order to promote effective communication with the Company's stakeholders, information / results are made available through timely announcements and disclosure, executed via the Bursa Securities website, the Company's webpage, press releases and annual reports in line with the disclosure requirements of LR.

Additionally, the Company emphasises on providing a principal platform for dialogue and interactions with stakeholders, i.e. primarily its shareholders, through its Annual General Meeting. The Annual General Meeting serves as a principal forum for dialogues with individual shareholders as it provides shareholders the opportunity to ask questions about the proposed resolutions or about the Company's operations in general.

11.2 Integrated Reporting

Integrated Reporting is not applicable to the Group presently as the Company does not fall within the definition of "Large Company".

II. CONDUCT OF GENERAL MEETINGS

12. Encourage Shareholder Participation at General Meetings

12.1 Notice for an Annual General Meeting

The notice to the upcoming AGM in 2019 has been provided more than twenty-eight (28) days in advance to enable stockholders to make adequate preparation.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

II. CONDUCT OF GENERAL MEETINGS (cont'd)

12. Encourage Shareholder Participation at General Meetings (cont'd)

12.2 All directors to attend General Meetings

All the Directors of the Company attend General Meetings in order to engage directly with shareholders and to take up any relevant questions which are related to matters that fall under the purview of the Board Committees or Board, unless unforeseen circumstances preclude them from attending General Meetings.

All Directors attended the Twenty Eighth Annual General Meeting (AGM) of the Company held on 20 August 2018.

The shareholders present at the AGM were invited to ask questions about the resolutions being proposed at the AGM before putting them to vote by poll.

12.3 Leveraging on technology for voting in absentia and remote shareholders' participation

Based on an analysis of the investors, the Company does not have a large number of shareholders. A large majority of investors are Malaysians. Further, all general meetings are held at a hotel, which is easily accessible to all shareholders. As such, the concern over voting in absentia and / or remote shareholders' participation at AGM are not applicable.

As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings and maintain the same location for the AGM for the past years.

Chairman's Statement

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present the Company's Annual Report and Audited Financial Statements for the financial year ended 31 March 2019 (FYE' 19).

REVIEW OF RESULTS

For the FYE' 19, the Group achieved revenue of RM26.7 million compared to revenue of RM27.7 million in the previous financial year. The decrease in revenue by approximately 4% as compared to the financial year ended 31 March 2018 (FYE' 18), is mainly due to the decrease in revenue from the property division.

For the FYE' 19, the Group recorded a profit after taxation of RM9.6 million compared to profit after taxation of RM3.3 million in the previous financial year. The significant increase in profit after taxation of about 190% as compared the FYE' 18 despite the drop in revenue was mainly due to reversal of income tax paid in prior years amounting to RM9.2 million.

DIVIDENDS

During the FYE' 19, the Board does not recommend any dividend.

BOARD CHANGES

Datin Sri Tan Siew Hong retired from the Board on 20 August 2018. I would like to thank her for her contributions over the last 11 years. We also saw the departure of Dato' Beh Heng Teong who resigned with effect from 28 September 2018. I have also the pleasure of extending a warm welcome to Mr. Lim Shiou Ghay and Mr. Tan Chee Keong as new members to the Board.

PROSPECTS

Although the overall property market is expected to remain lackluster for the year ending 31 March 2020, we believe there are still a demand for reasonably priced developments that have good concepts and quality in good locations. Barring unforeseen circumstances, the Group will proceed to launch the phase two of its Teluk Air Tawar project, a low density waterfront condominium which feature resort themed living with lush greenery and beautiful landscape offering lifestyle facilities and amenities. In its pipeline, plans are underway to venture into affordable homes in the Penang island that offer new trend of lifestyle in a comfortable environment equip with facilities and amenities to suit community living.

APPRECIATION

I would like to take this opportunity to express my sincere appreciation and gratitude to my fellow Board members for their invaluable contribution as well as to our customers and business associates for their continued trust, support and commitment to work with us. I would also like to thank our management team and employees for their loyalty and commitment towards their work and our shareholders for their continued support and confidence in Acme Holdings Berhad.

DATO' SRI DR. LEE KUANG SHING
Executive Chairman

22 July 2019

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of Acme Holdings Berhad ("Board") is pleased to provide the following Statement of Risk Management and Internal Control (Statement), which is made pursuant to the Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2017 with regards to the nature and scope of risk management and internal control of the Group during the financial year.

RESPONSIBILITY FOR RISK MANAGEMENT

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the guidelines promulgated by the "Statement on Risk Management and Internal Control – A Guidance for Directors of Public Listed Companies" ("Internal Control Guidance").

The Board has received assurance from the Executive Chairman and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board practice proactive risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and / or operating environment which may entail different risks, and assess the appropriate risk response strategies and controls. Daily risk management of operations are delegated to assigned key management staff and head of departments.

Periodic meetings attended by key management staff and head of departments and are held to discuss key operational issues, business performance matters and appropriate mitigating controls, when necessary.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional consulting firm, BDO Governance Advisory Sdn Bhd as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out in accordance with the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

Based on the internal auditors' reports for the financial year ended 31 March 2019, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to business units by members of the Board; and
- Monitoring of the daily operations by the senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 March 2019. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its risk management and internal control environment.

This statement is issued in accordance with a resolution of the Directors dated 22 July 2019.

Overview

We are principally involved in property development and manufacturing of diverse plasticware products.

Since 2008, we have been involved in a 47 acres mixed development project known as Taman Aman Bayu, located at Teluk Air Tawar in Seberang Perai Utara, Penang. During the financial year, we did not launch any new development project.

For the manufacturing division, we operate from our owned factory with total built up area of approximately 13,675 square meter located in Sungai Petani, Kedah.

Financial Performance

Overall

For the FYE’ 19, we recorded revenue of RM26.7 million compared to revenue of RM27.7 million in the previous financial year. The marginal drop in revenue by RM1 million or approximately 4% as compared to the FYE’ 18 was mainly due to a decrease in revenue of approximately 38% from the property development division. However, the manufacturing division managed to record a higher increase in revenue of approximately 21%.

Similar to FYE’ 18, the manufacturing division had contributed a bigger share of our total revenue in FYE’ 19. The manufacturing division and the property development division contributed approximately 68% and 28% of our total revenue respectively in FYE’ 19 as compared to approximately 54% and 43% of our total revenue respectively in FYE’ 18.

The Group also has revenue generated from our investment holding division which contributed to 4% and 3% of our total revenue in FYE' 19 and FYE' 18 respectively.

We recorded profit after taxation (PAT) of RM9.6 million in the FYE’ 19 compared to PAT of RM3.3 million in the previous financial year. The vast improvement in the PAT was mainly due to the recovery of income tax amounting to RM9.2 million paid previously by the manufacturing subsidiary arising from a tax audit conducted by the Inland Revenue Bond.

Property Development Division

In line with the soft property market during FYE’ 19, our property development division recorded lower results in the FYE’ 19 compared to the previous financial year.

This division contributed RM7.4 million of revenue in the FYE’ 19 compared to RM12.0 million in the previous financial year. The decrease in revenue by RM4.6 million or approximately 38% as compared to the FYE’ 18 was mainly due to no new development projects being launched.

Accordingly, this division recorded a lower PAT of RM1.6 million compared to a PAT of RM4.6 million in the previous financial year.

Manufacturing Division

We maintained a commendable performance for our manufacturing division in the FYE’ 19 with revenue of RM18.2 million, approximately 21% or RM3.2 million higher compared to RM15.0 million in the previous financial year. On the back of higher revenue, the manufacturing division achieved PAT of RM7.5 million compared to PAT of RM0.2 million in the previous financial year. The overall better performance for the manufacturing division was mainly due to increase in demand from customers for our newly developed products as well as the recovery of income tax overpaid of RM9.2 million.

Working Capital, Liquidity and Capital Expenditure

The Group generated net inflow of cash from operations of RM9.9 million in the FYE’ 19 as compared to RM1.3 million net outflow of cash from operations in the FYE’ 18, mainly due to increase in working capital employed. Cash and cash equivalents increased from RM5.7 million as at 31 March 2018 to RM6.6 million as at 31 March 2019.

Except for new finance lease undertaken up for the purchase of motor vehicles, no new bank borrowing was drawndown in the FYE’ 19. Capital expenditure incurred in the FYE’ 19 was RM8.9 million. These were mainly for the purchase of moulds under the manufacturing division.

Dividends

Although we currently do not have any dividend or distribution policy, we look forward to rewarding our shareholders in future for their continued support and faith in us.

Outlook, Challenges and Strategy

The overall property market is expected to remain challenging due to market volatility arising from challenging global economic environment, weak consumer sentiment, properties overhang and increased competition despite the new initiatives introduced such as removal of GST and SST exemption on building materials and construction services and others to boost consumer confidence and sentiments in the property market.

Against this backdrop, we are cautiously optimistic in our approach to focus on developments that are in strategic location with excellent transportation infrastructure and proximity to amenities in high growth areas. We will continue to expand our landbank through acquisition or joint ventures opportunities for long term growth.

On the operational level, we will intensify our efforts to remain competitive by improving operational efficiencies in time delivery and quality products to the expectations of ever changing customer expectations.

Directors' Responsibility Statement

The Directors acknowledge their responsibility in ensuring that the financial statements of the Group and the Company give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the year then ended. The Directors have also ensured that the requirements of the Companies Act and those applicable approved accounting standards in Malaysia have been compiled with. In preparing the financial statement, the Directors have:-

- applied consistently the appropriate accounting policies adopted;
- made reasonable and prudent judgments and estimates; and
- maintained proper accounting records to enable the preparation of the financial statements with reasonable accuracy.

In addition, the Directors are also responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and taking reasonable steps to safeguard the assets of Group and of the Company and to prevent and detect frauds and other irregularities.

The Directors approved the financial statements for the financial year ended 31 March 2019 on 22 July 2019.

This statement was made in accordance with a Resolution of the Board of Directors dated 22 July 2019.

Audit Committee Report

OBJECTIVES

The principal objectives of the AC is to assist The Board of Directors in discharging the duties and responsibilities in the area of Corporate Governance and internal audit with particular reference to the public accountability of the Company.

COMPOSITION

The present members of the Committee comprise:-

Chairman
Lim Shiou Ghay *(Independent Non-Executive Director) (Appointed w.e.f. 1 October 2018)*
Dato' Beh Heng Teong *(Independent Non-Executive Director) (Resigned w.e.f. 28 September 2018)*

Members
Andrew Su Meng Kit *(Non-Independent Non-Executive Director) (Resigned w.e.f. 10 July 2019)*
Lee Chiong Meng *(Independent Non-Executive Director)*
Tan Chee Keong *(Independent Non-Executive Director) (Appointed w.e.f. 21 May 2019)*

ATTENDANCE OF MEETINGS

The detail of attendance of each member at the Audit Committee meetings held during the financial year ended (FYE) 31 March 2019 are as follows:

	Number of meetings	
Name of director	**Held**	**Attended**
Lim Shiou Ghay (Appointed on 1 October 2018)	3	3
Lee Chiong Meng	5	5
Tan Chee Keong (Appointed w.e.f. 21 May 2019)	0	0
Dato' Beh Heng Teong (Resigned on 28 September 2018)	2	2
Andrew Su Meng Kit (Resigned on 10 July 2019)	5	5

Summary of work of the Audit Committee

The summary of work carried out by the Committee during the FYE' 19 in the discharge of its duties and responsibilities are as follows:-

1. Financial Reporting

   In overseeing the Company's financial reporting, the Committee reviewed the interim financial reports for the fourth quarter of 2018 at its meeting held on 21 May 2018.

   The interim financial reports for the first, second and third quarters of 2019, which were prepared in accordance with requirements of FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Securities LR, were reviewed at the Committee meetings on 20 August 2018, 19 November 2018 and 18 February 2019 respectively. On 21 May 2019, the Committee reviewed the interim financial reports for the fourth quarter of 2019. The Committee's recommendations were presented for approval at the subsequent Board meeting.

2. External Audit

   The Committee had on 18 February 2019 and 21 May 2019 respectively met with the External Auditors without the presence of the Executive Members.

   On 18 February 2019, the External Auditors tabled the Audit Planning Memorandum prior to the commencement of audit of financial statements for FYE' 19, more particularly outlined the audit timetable, key areas of audit focus, communication of the significant matters and audit engagement team to the Committee. The Committee took note on the key amendments of the Bursa Securities LR, Companies Act 2016 and key changes in the financial reporting standards and updates which are applicable to the Group.

Summary of work of the Audit Committee (cont'd)

2. External Audit (cont'd)

On 21 May 2019, the Audit Committee reviewed the status of the audit for the FYE' 19 with the external auditors. The external auditors briefed the Audit Committee on issues discussed with management and informed the Audit Committee:-

- that they had substantially completed their audit and had not identified any potential uncorrected misstatements during the audit
- the external auditors have not identified any non-compliance of laws and regulations and fraud related matter
- there were no significant changes to the scope or audit approach as compared to the audit plan
- review of accounting matters and points on internal control
- there were no material litigations or claims against the Group during the financial year under review other than those disclosed in the notes to the financial statements

The Audit Committee reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, it was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for the FYE' 19 to the Board for approval.

Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting.

3. Internal Audit Function

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn Bhd (BDO) to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDO reports directly to the Committee on its activities based on the approved annual Internal Audit Plan. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The annual cost for the Group's internal audit function is RM12,500.

The Internal Auditors presented its findings together with recommendation and management action plan to the Committee for review on 19 February 2019 and 21 May 2019 respectively.

During the FYE' 19, the Internal Auditors have conducted review on internal control of one of its subsidiaries focusing on the following areas:-

Company	Audit Areas	Reporting Date
Supportive Technology Sdn Bhd	Inventory management	18 December 2018
Supportive Technology Sdn Bhd	Conversion and Production	30 May 2019

Information pertaining to the Company's internal controls is shown in the Statement on Internal Control and Risk Management of this Annual Report.

4. Internal Audit Function

At the Meeting held on 21 May 2019, the Committee approved the Group Internal Audit Plan 2019 as tabled by the Internal Auditors.

The Audit Committee is pleased to report that neither internal auditors nor external auditors have reported any significant weaknesses in internal control which resulted in material loss or potential material loss to the Group.

Disclosure Requirements Pursuant to the Bursa Malaysia Securities Berhad Main Market Listing Requirements

Status of Utilisation of Proceeds

During the financial year under review, there were no proceeds from any corporate exercises.

Employee Share Scheme

There was no Employee Share Scheme implemented by the Company during the financial year ended 31 March 2019.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 March 2019 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follow:-

Category	Audit Fees (RM)	Non-Audit Fees (RM)^
Company	**30,000**	**7,500**
Subsidiaries	**66,000**	**-**
Total	**96,000**	**7,500**

^ non-audit fees consist of reviewing of Statement on Risk Management and Internal Control and the review of the Company's quarterly report.

Material contracts or loans

There were no material contract entered into by the Company and its subsidiary companies involving the interests of the directors, Executive Chairman who is not a director or major shareholders either still subsisting as at 31 March 2019 or entered into since the end of the previous financial year.

Recurrent Related Party Transactions

There was no recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 March 2019.

List of Properties

<table>
<tr><th>Title</th><th>Description / Existing Use</th><th>Tenure</th><th>Total Land Area / Floor area (square meter)</th><th>Approximate age of building</th><th>Net Book Value as at 31.03.2019 (RM’000)</th></tr>
<tr><td>Lot 5805 H.S. (D) 5828, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 7 Nov 2049)</td><td>23,708.50 (land)
10,231.65 (building)</td><td>30 years</td><td>510 (land)
4,145 (building)</td></tr>
<tr><td>Lot PT 3699, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td><td rowspan="4">2,394.30 (land)</td><td rowspan="8">28 years</td><td rowspan="8">36 (land)
2,403 (building)</td></tr>
<tr><td>Lot PT 3700, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3701, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Indusrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3702, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3723, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 31 Dec 2053)</td><td rowspan="4">557.33 (land)</td></tr>
<tr><td>Lot PT 3724, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 31 Dec 2053)</td></tr>
<tr><td>Lot PT 3725, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 31 Dec 2053)</td></tr>
<tr><td>Lot PT 3726, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 31 Dec 2053)</td></tr>
<tr><td>Lot PT 17611, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman</td><td>Industrial Building</td><td>Freehold</td><td>4,285.62 (land)
3,994.83 (building)</td><td>30 years</td><td>552 (land)
1,003 (building)</td></tr>
</table>

List of Properties (cont'd)

Title	Description / Existing Use	Tenure	Total Land Area / Floor area (square meter)	Approximate age of building	Net Book Value as at 31.03.2019 (RM'000)
H.S (D) 10271, PT 66400, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 4 Apr 2055)	17,511.90 (land) 13,675.33 (building)	18 years	1,395 (land) 6,575 (building)
H.S (D) 10272, PT 66401, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 4 Apr 2055)			
H.S (D) 10277, PT 66406, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 4 Apr 2055)			
H.S (D) 10278, PT 66407, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 4 Apr 2055)			
H.S (D) 27713, PT 758, H.S (D) 27270, PT 407, Mukim 7, Seberang Perai Utara, Pulau Pinang	Development Land	Freehold	50,634 (land)	-	13,123

SHARE CAPITAL

Class of Shares	:	Ordinary shares
Voting Rights	:	On show of hands, 1 vote for 1 person
	:	On a poll, 1 vote for 1 ordinary share

* Excluding 8,784,500 ordinary shares held as treasury shares

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of Shareholders	Number of Shares	% of Shares
Less than 100 shares	5	200	#
100 to 1,000 shares	244	221,773	0.10
1,001 to 10,000 shares	348	1,798,300	0.78
10,001 to 100,000 shares	168	6,600,600	2.79
100,001 to less than 5% of issued shares	47	77,572,473	33.80
5% and above of issued shares	4	143,780,154	62.52
Total	**816**	**229,973,500**	**100.00**

Negligible

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Number of Shares Held				
	Direct	%	Deemed		%
Supptech Holdings Sdn Bhd	15,656,873	6.808	-		-
Dato' Sri Dr. Lee Kuang Shing	6,000,000	2.609	15,656,873	*	6.808
Datin Sri Tan Siew Hong	-	-	15,656,873	*	6.808
Khaw Hooi Huang	-	-	15,656,873	*	6.808
Nada Wangi Sdn Bhd	72,901,181	31.700	-		-
Ooi Soon Hong	-	-	72,901,181	#	31.700
Husalmi Suhaini Bin Shaikh Hussain	-	-	72,901,181	#	31.700
Inspire Sense Sdn Bhd	56,306,000	24.484	-		-
Ooi Kian Chuan	-	-	56,306,000	^	24.484
Tang Tiam Hok	-	-	56,306,000	^	24.484

Note :

* Deemed interested by virtue of his / her shareholdings of not less than 20% in Supptech Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
# Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
^ Deemed interested by virtue of his shareholdings of not less than 20% in Inspire Sense Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Number of Shares Held				
	Direct	%	Deemed		%
Dato' Sri Dr. Lee Kuang Shing	6,000,000	2.609	15,656,873	*	6.808
Ooi Soon Hong	-	-	72,901,181	#	31.700
Lim Shiou Ghay	5,098,000	2.217	6,136,000	^	2.668
Tan Chee Keong	-	-	-		-
Lee Chiong Meng	-	-	-		-

Note :

* Deemed interested by virtue of his / her shareholdings of not less than 20% in Supptech Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
# Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
^ Deemed interested by virtue of his shareholdings of not less than 20% in Epic Paradigm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1	INSPIRE SENSE SDN. BHD.	56,306,000	24.48
2	NADA WANGI SDN. BHD.	46,508,077	20.22
3	NADA WANGI SDN. BHD.	26,393,104	11.48
4	SUPPTECH HOLDINGS SDN BHD	15,656,873	6.81
5	H.M. WEALTH MANAGEMENT SDN. BHD.	10,000,000	4.35
6	CHEAH LEE LEE	9,805,200	4.26
7	LAM DJUNG FUNG @ YUPITA LAM	8,421,073	3.66
8	AB MALIK BIN ABDULLAH	8,108,000	3.53
9	GAINFACTOR SDN. BHD.	7,064,000	3.07
10	EPIC PARADIGM SDN. BHD.	6,136,000	2.67
11	DATO' SRI DR LEE KUANG SHING	6,000,000	2.61
12	TEOH CHOO EE	5,220,800	2.27
13	LIM SHIOU GHAY	5,098,000	2.22
14	ONG SEE WAH	1,174,000	0.51
15	CHIAM LEE HOON	1,002,700	0.44
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KHANG KHIM	845,900	0.37
17	MERCSEC NOMINEES (TEMPATAN) SDN BHD TEOW AH TEE @ TEOH KIM PENG	644,800	0.28
18	S.BALAKRISHNAN A/L A.SHANMUGAM	553,500	0.24
19	LEE GUEK CHAU	452,500	0.20
20	KOH YIK LING	428,000	0.19
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TZE PENG	396,500	0.17
22	CHEAH LEE LEE	377,000	0.16
23	NG GEIK CHENG	368,000	0.16
24	TEH ENG HIN	342,000	0.15
25	OH CHWEE HOE	325,400	0.14
26	LEE KUANG HAM	325,000	0.14
27	JS NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	286,500	0.12
28	KHOO SWEE LEE	257,500	0.11
29	YEOH PHEK LENG	250,000	0.11
30	JS NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAW CHOH HEAN (PENANG-CL)	249,000	0.11

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 March 2019**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	**9,615,533**	**6,512,232**
Attributable to:		
Owners of the Company	**9,616,724**	**6,512,232**
Non-controlling interests	**(1,191)**	**-**
	9,615,533	**6,512,232**

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the overpayment of income tax previously by a subsidiary amounting to RM9,167,241 which was reversed in the Group's results for the current financial year. Further details of the aforementioned is disclosed in Note 27 to the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

There were no changes in the issued and paid up capital of the Company during the financial year.

TREASURY SHARES

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

As at 31 March 2019, the Company held 8,784,500 treasury shares out of the total 238,758,000 issued ordinary shares. Further relevant details are disclosed in Note 16 to the financial statements.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Sri Dr. Lee Kuang Shing
Ooi Soon Hong
Lee Chiong Meng
Lim Shiou Ghay *(appointed on 1.10.18)*
Tan Chee Keong *(appointed on 14.5.19)*
Datin Sri Tan Siew Hong *(resigned on 20.8.18)*
Dato' Beh Heng Teong *(resigned on 28.9.18)*
Andrew Su Meng Kit *(resigned on 10.7.19)*

Director of the subsidiaries:

Datin Sri Tan Siew Hong

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.4.18	**Bought**	**Sold**	**Balance at 31.3.19**
The Company				
Direct Interest:				
Dato' Sri Dr. Lee Kuang Shing	6,000,000	-	-	6,000,000
Lim Shiou Ghay	-	5,098,000	-	5,098,000
Deemed Interest:				
[1] Dato' Sri Dr. Lee Kuang Shing	88,098,873	-	(72,442,000)	15,656,873
[2] Ooi Soon Hong	42,916,181	29,985,000	-	72,901,181
[3] Lim Shiou Ghay	-	6,136,000 *	-	6,136,000

Note:

1 Indirect interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Supptech Holdings Sdn. Bhd.
2 Indirect interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Nada Wangi Sdn. Bhd.
3 Indirect interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Epic Paradigm Sdn. Bhd.
* At appointment date.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	**SUBSIDIARIES RM**	**GROUP RM**
Salaries, bonus and others	**294,475**	**492,180**	**786,655**
Defined contribution plan	**33,120**	**108,900**	**142,020**
Fees	**85,133**	**7,500**	**92,633**
	412,728	**608,580**	**1,021,308**

DIRECTORS' REMUNERATION AND BENEFITS (cont'd)

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS OR OFFICERS

No indemnity has been given to or insurance effected for any directors or officers of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) that would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading; and

(iv) that have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

(i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 35 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2019 are RM96,000 and RM30,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

....	....
Dato' Sri Dr. Lee Kuang Shing	**Ooi Soon Hong**

Penang,

Date: 22 July 2019

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 53 to 117 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2019** and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

....

Dato' Sri Dr. Lee Kuang Shing

....

Ooi Soon Hong

Date: 22 July 2019

Statutory Declaration

I, **Lee Thean Yew**, the officer primarily responsible for the financial management of **Acme Holdings Berhad** do solemnly and sincerely declare that the financial statements set out on pages 53 to 117 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **22nd**)
day of **July 2019**.)

....

Lee Thean Yew
(I/C No. 640124-07-5481)
(MIA No. 6990)

Before me,

....

Liew Juan Leng
No.: P162
Commissioner for Oaths

Independent Auditors' Report to the Members of Acme Holdings Berhad
Company No: 189740-X (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Acme Holdings Berhad**, which comprise the statements of financial position as at **31 March 2019** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 53 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2019** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilites

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants *("By-Laws")* and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of inventories ***(Notes 6 and 9 to the financial statements)*** The Group holds significant number of completed properties which remained unsold as well as significant inventories from its plasticware products manufacturing activity as at 31 March 2019 which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value. The Group measures inventories at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value requires judgement. The risk that the inventories are not stated at the lower of cost and net realisable value is considered a significant risk identified in our risk assessment process as it involves estimation uncertainty by the directors in determining the accuracy of provision for inventory obsolescence and in assessing the adequacy of inventory not stated at the lower of cost and net realisable value.	Our audit procedures in relation to the valuation of inventories included: • Reviewing the net realisable value of the unsold properties by: - Comparing the cost of these unsold properties to the asking price per square feet of similar properties located in the vicinity of the unsold properties; and - Comparing recorded selling prices of similar units sold by the Group during / subsequent to the financial year end by tracing to latest signed sale and purchase agreements. • Reviewing the net realisable value of the inventories under the plasticware products manufacturing activity by: - Obtaining an understanding of the Group's inventory management process: - the process of identifying and assessing inventory write downs; and - the basis how the Group makes the accounting estimates for inventory write-downs.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of inventories (cont'd)	- Examining the perpetual records for inventory movements and to identify slow moving aged items. - Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories. - Reviewing the net realisable value of inventories on a sampling basis. - Evaluating the reasonableness and adequacy of the inventories write-downs recognised for identified exposures.
Impairment of trade receivables ***(Note 10 to the financial statements)*** The Group has significant trade receivables as at 31 March 2019 and it is subject to credit risk exposure. The impairment calculation requires management to estimate the collectability of the debt considering the ageing of receivable and historical loss experience for receivables with similar characteristics. The adoption of MFRS 9 – Financial Instruments has resulted in management having to develop an expected credit loss model which requires the use of judgement and estimates in determining the probability of default by considering the ageing of receivables, historical loss experience and forward-looking information.	Our audit procedures in relation to the impairment of trade receivables included: • Obtaining an understanding of: - the Group's control over the customers collection process; - the process of identifying and assessing impairment of trade receivables; and - the basis how the Group makes the accounting estimates for impairment of trade receivables. • Considering the ageing of the trade receivables. • Evaluating techniques and methodology in the expected credit loss approach against the requirement of MFRS 9. • Assessing the estimated future cash flows by examining the historical repayment records, historical loss rate of receivables, information regarding the current creditworthiness and any significant changes in credit quality of the debtors, evidence of subsequent settlement and other relevant information. • Comparing the assumptions used to estimate the provision for impairment with available market data.
Revenue recognition ***(Note 24 to the financial statements)*** The Group's revenue is mainly derived from the plasticware products manufacturing segment. We focus on revenue recognition as a key audit matter as we considered the voluminous transactions and wide product range sold by the Group which may give rise to higher risk of material misstatements in respect of the timing and amount of revenue recognised. The adoption of *MFRS 15 - Revenue from Contracts with Customers* has also resulted in management to consider the variable considerations such as sales return, sales discount and volume rebates in determining the transaction price and this requires judgement and estimates by the management.	Our audit procedures in relation to the revenue recognition included: • Obtaining an understanding of the Group's revenue recognition process and application and thereafter testing controls on the occurrence of revenue. • Performing analytical procedures on the trend of revenue recognised to identify for any abnormalities. • Performing substantive testing on a sampling basis to verify that revenue recognition criteria are properly applied by checking to the documents which evidenced the delivery of goods to the customers. • Inspecting the terms of significant sales transactions in order to determine the point when the customer obtains control of the goods and to assess whether revenue is recognised in accordance with the terms.

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition (cont'd)	• Assessing whether revenue is recognised in the correct period by testing cut-off through assessing sales transaction taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date. the sales discount and volume rebate. • Assessing whether the customers of the Group are eligible to enjoy the sales discount and volume rebate given. • Testing the accuracy and completeness of the information used by the Group to compute the variable considerations such as sales return, sales discount and volume rebates in determining the transaction price.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other Matters

1. As stated in Note 2.4 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 April 2018 with a transition date of 1 April 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2018 and 1 April 2017, statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2018 and related disclosures. We were not engaged to report on the MFRS transition comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2019, have in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2018 do not contain misstatements that materially affect their financial position as at 31 March 2019 and of their financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF: 0042
Chartered Accountants

Terence Lau Han Wen
No. 03298/04/2021 J
Chartered Accountant

Penang

Date: 22 July 2019

Statement of Financial Position
as at 31 March 2019

		GROUP			COMPANY		
			(Restated)	(Restated)			
		31.3.19	31.3.18	1.4.17	**31.3.19**	31.3.18	1.4.17
	NOTE	**RM**	RM	RM	**RM**	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	**4**	**21,434,861**	14,049,840	14,896,596	**-**	-	-
Investment properties	**5**	**8,650,630**	8,962,825	9,275,020	**7,095,307**	7,372,829	7,650,351
Inventory properties	**6**	**14,784,558**	14,678,951	14,453,991	**-**	-	-
Investment in subsidiaries	**7**	**-**	-	-	**33,916,351**	27,249,232	27,249,232
Deferred tax assets	**8**	**88,539**	-	-	**-**	-	-
		44,958,588	37,691,616	38,625,607	**41,011,658**	34,622,061	34,899,583
Current assets							
Inventory properties	**6**	**19,746,902**	20,787,292	23,971,348	**-**	-	-
Inventories	**9**	**2,362,833**	2,143,802	1,773,051	**-**	-	-
Trade receivables	**10**	**10,943,066**	12,045,244	7,431,651	**-**	-	-
Other receivables, deposits and prepayments	**11**	**1,957,279**	10,605,203	1,102,148	**14,105**	6,095,105	14,105
Amount due from subsidiaries	**12**	**-**	-	-	**14,656,531**	3,514,122	5,626,288
Contract assets	**13**	**-**	-	15,854,519	**-**	-	-
Current tax assets		**10,036,264**	87,529	42,000	**-**	-	-
Cash and bank balances	**14**	**6,768,646**	6,041,583	1,902,387	**738,421**	515,415	199,680
		51,814,990	51,710,653	52,077,104	**15,409,057**	10,124,642	5,840,073
TOTAL ASSETS		**96,773,578**	89,402,269	90,702,711	**56,420,715**	44,746,703	40,739,656
EQUITY AND LIABILITIES							
Equity attributable to owners of the company							
Share capital	**15**	**226,050,958**	226,050,958	219,969,958	**226,050,958**	226,050,958	219,969,958
Treasury shares	**16**	**(13,873,523)**	(13,873,523)	(13,873,523)	**(13,873,523)**	(13,873,523)	(13,873,523)
Reverse acquisition reserve		**(193,196,309)**	(193,196,309)	(193,196,309)	**-**	-	-
Foreign currency translation reserve	**17**	**(36,047)**	(2,929)	(2,929)	**-**	-	-
Retained profits/(Accumulated losses)		**60,327,321**	50,710,597	47,375,072	**(162,524,923)**	(169,037,155)	(168,692,678)
		79,272,400	69,688,794	60,272,269	**49,652,512**	43,140,280	37,403,757
Non-controlling interests		**-**	(441,122)	(438,588)	**-**	-	-
Total equity		**79,272,400**	69,247,672	59,833,681	**49,652,512**	43,140,280	37,403,757
Non-current liabilities							
Borrowings	**18**	**234,093**	536,283	-	**-**	-	-
Trade payables	**19**	**166,715**	-	-	**-**	-	-
Deferred tax liabilities	**8**	**2,235,620**	2,023,528	1,716,528	**321,830**	165,000	164,000
		2,636,428	2,559,811	1,716,528	**321,830**	165,000	164,000
Current liabilities							
Trade payables	**19**	**3,336,662**	10,363,876	20,718,375	**-**	-	-
Other payables and accruals	**20**	**10,573,089**	5,403,057	5,293,367	**6,369,629**	650,879	245,190
Amount due to subsidiaries	**12**	**-**	-	-	**-**	627,655	1,651,459
Amount due to ultimate holding company	**21**	**-**	-	150,000	**-**	-	-
Amount due to directors	**22**	**76,744**	571,300	1,884,946	**76,744**	162,889	1,275,250
Borrowings	**18**	**376,250**	341,387	-	**-**	-	-
Current tax liabilities		**94,937**	590,523	824,063	**-**	-	-
Refund liabilities	**23**	**407,068**	324,643	281,751	**-**	-	-
		14,864,750	17,594,786	29,152,502	**6,446,373**	1,441,423	3,171,899
Total liabilities		**17,501,178**	20,154,597	30,869,030	**6,768,203**	1,606,423	3,335,899
TOTAL EQUITY AND LIABILITIES		**96,773,578**	89,402,269	90,702,711	**56,420,715**	44,746,703	40,739,656

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income
for the financial year ended 31 March 2019

		GROUP		COMPANY	
			(Restated)		
		2019	2018	**2019**	2018
	NOTE	**RM**	RM	**RM**	RM
Revenue	**24**	**26,674,089**	27,688,095	**1,018,700**	660,000
Cost of sales		**(20,149,581)**	(17,201,779)	**-**	-
Gross profit		**6,524,508**	10,486,316	**1,018,700**	660,000
Other income		**1,002,199**	475,441	**6,676,767**	-
Administrative expenses		**(4,958,506)**	(4,705,421)	**(1,026,405)**	(1,003,477)
Selling and distribution expenses		**(1,228,156)**	(1,093,651)	**-**	-
Operating profit/(loss)		**1,340,045**	5,162,685	**6,669,062**	(343,477)
Finance costs		**(47,765)**	(23,223)	**-**	-
Profit/(Loss) before tax	**25**	**1,292,280**	5,139,462	**6,669,062**	(343,477)
Tax income/(expense)	**27**	**8,323,253**	(1,806,471)	**(156,830)**	(1,000)
Profit/(Loss) for the financial year		**9,615,533**	3,332,991	**6,512,232**	(344,477)
Total other comprehensive loss, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**(33,118)**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**9,582,415**	3,332,991	**6,512,232**	(344,477)
Profit/(Loss) attributable to:					
Owners of the Company		**9,616,724**	3,335,525	**6,512,232**	(344,477)
Non-controlling interests		**(1,191)**	(2,534)	**-**	-
		9,615,533	3,332,991	**6,512,232**	(344,477)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**9,583,606**	3,335,525	**6,512,232**	(344,477)
Non-controlling interests		**(1,191)**	(2,534)	**-**	-
		9,582,415	3,332,991	**6,512,232**	(344,477)
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	**28**	**4.18**	1.59		

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity
for the financial year ended 31 March 2019

	NOTE	Share Capital RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
		|------ Attributable to owners of the parent		|---- Non-distributable	----|	------|			
2019									
Balance at 1 April 2018		**226,050,958**	**(13,873,523)**	**(193,196,309)**	**(2,929)**	**50,710,597**	**69,688,794**	**(441,122)**	**69,247,672**
Total comprehensive income for the financial year		-	-	-	**(33,118)**	**9,616,724**	**9,583,606**	**(1,191)**	**9,582,415**
Disposal of a subsidiary	**7**	-	-	-	-	-	-	**442,313**	**442,313**
Balance at 31 March 2019		**226,050,958**	**(13,873,523)**	**(193,196,309)**	**(36,047)**	**60,327,321**	**79,272,400**	-	**79,272,400**
2018									
Balance at 1 April 2017									
- As previously stated		219,969,958	(13,873,523)	(193,196,309)	(2,929)	47,656,823	60,554,020	(438,588)	60,115,432
- Effects of adopting MFRS 15	**36**	-	-	-	-	(281,751)	(281,751)	-	(281,751)
Restated balance at 1 April 2017		219,969,958	(13,873,523)	(193,196,309)	(2,929)	47,375,072	60,272,269	(438,588)	59,833,681
Total comprehensive income for the financial year									
- As previously stated		-	-	-	-	3,369,417	3,369,417	(2,534)	3,366,883
- Effects of adopting MFRS 15	**36**	-	-	-	-	(33,892)	(33,892)	-	(33,892)
- As restated		-	-	-	-	3,335,525	3,335,525	(2,534)	3,332,991
Transaction with owners:									
Issuance of shares pursuant to private placement	**15**	6,081,000	-	-	-	-	6,081,000	-	6,081,000
Balance at 31 March 2018		226,050,958	(13,873,523)	(193,196,309)	(2,929)	50,710,597	69,688,794	(441,122)	69,247,672

The accompanying notes form an integral part of these financial statements.

Statement of Changes In Equity
for the financial year ended 31 March 2019

	NOTE	Share Capital RM	Distributable Treasury Shares RM	Accumulated Losses RM	Total Equity RM
2019					
Balance at beginning		**226,050,958**	**(13,873,523)**	**(169,037,155)**	**43,140,280**
Total comprehensive loss for the financial year		**-**	**-**	**6,512,232**	**6,512,232**
Balance at end		**226,050,958**	**(13,873,523)**	**(162,524,923)**	**49,652,512**
2018					
Balance at beginning		219,969,958	(13,873,523)	(168,692,678)	37,403,757
Total comprehensive loss for the financial year		-	-	(344,477)	(344,477)
Transactions with owners:					
Issuance of shares pursuant to private placement	15	6,081,000	-	-	6,081,000
Balance at end		226,050,958	(13,873,523)	(169,037,155)	43,140,280

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 31 March 2019

	Note	GROUP 2019 RM	GROUP (Restated) 2018 RM	COMPANY 2019 RM	COMPANY 2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		**1,292,280**	5,139,462	**6,669,062**	(343,477)
Adjustments for:					
Allowance for expected credit losses		**375,468**	188,594	**-**	-
Bad debts		**-**	25,000	**-**	-
Depreciation of investment properties		**312,195**	312,195	**277,522**	277,522
Depreciation of property, plant and equipment		**1,376,625**	1,132,040	**-**	-
Gain on disposal of a subsidiary		**(663,471)**	-	**(1)**	-
Gain on disposal of property, plant and equipment		**-**	(189,623)	**-**	-
Interest expense		**47,765**	23,223	**-**	-
Interest income		**(35,290)**	(50,418)	**-**	-
Inventories written down		**561,416**	-	**-**	-
Loss on disposal of property, plant and equipment		**6,899**	-	**-**	-
Property, plant and equipment written off		**37,877**	-	**-**	-
Reversal on impairment loss on investment in a subsidiary		**-**	-	**(6,667,119)**	-
Operating profit/(loss) before working capital changes		**3,311,764**	6,580,473	**279,464**	(65,955)
Changes in:					
Inventory properties		**934,783**	2,959,096	**-**	-
Inventories		**(780,447)**	(370,751)	**-**	-
Receivables		**9,344,634**	(14,330,242)	**6,081,000**	(6,081,000)
Contract assets		**-**	15,854,519	**-**	-
Payables		**(996,203)**	(10,244,809)	**5,718,750**	405,689
Refund liabilities		**82,425**	42,892	**-**	-
Cash generated from/(used in) operations		**11,896,956**	491,178	**12,079,214**	(5,741,266)
Income tax paid		**(2,089,339)**	(1,778,540)	**-**	-
Income tax refunded		**91,824**	-	**-**	-
Interest paid		**(47,765)**	(23,223)	**-**	-
Net cash from/(used in) operating activities		**9,851,676**	(1,310,585)	**12,079,214**	(5,741,266)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash outflow from disposal of a subsidiary		**(9)**	-	**-**	-
Proceeds from disposal of a subsidiary		**-**	-	**1**	-
Interest received		**35,290**	50,418	**-**	-
Placement of fixed deposits with a licensed bank		**(5,297)**	(4,796)	**-**	-
Changes in bank balances held in trust		**153,434**	(166,309)	**-**	-
Proceeds from disposal of property, plant and equipment		**73,000**	189,623	**-**	-
Purchase of property, plant and equipment	A	**(8,799,422)**	(285,284)	**-**	-
Net cash used in investing activities		**(8,543,004)**	(216,348)	**1**	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Net change in subsidiaries' balances		**-**	-	**(11,770,064)**	1,088,362
Drawdown of finance lease liabilities	B	**-**	1,064,157	**-**	-
Repayment of finance lease liabilities	B	**(347,327)**	(186,487)	**-**	-
Proceeds from private placement		**-**	6,081,000	**-**	6,081,000
Repayment to directors	B	**(86,145)**	(1,313,646)	**(86,145)**	(1,112,361)
Repayment to ultimate holding company	B	**-**	(150,000)	**-**	-
Net cash (used in)/from financing activities		**(433,472)**	5,495,024	**(11,856,209)**	6,057,001
NET INCREASE IN CASH AND BANK BALANCES		**875,200**	3,968,091	**223,006**	315,735
CASH AND BANK BALANCES AT BEGINNING		**5,686,367**	1,718,276	**515,415**	199,680
CASH AND BANK BALANCES AT END		**6,561,567**	5,686,367	**738,421**	515,415

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 31 March 2019 (cont'd)

	GROUP		COMPANY	
		(Restated)		
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Represented by:				
Cash and bank balances	**6,768,646**	6,041,583	**738,421**	515,415
Less: Fixed deposits pledged to a licensed bank	**(194,204)**	(188,907)	**-**	-
Bank balances held in trust	**(12,875)**	(166,309)	**-**	-
	6,561,567	5,686,367	**738,421**	515,415
A. Purchase of property, plant and equipment				
Total acquisition cost	**8,879,422**	285,284	**-**	-
Acquired under finance lease liabilities	**(80,000)**	-	**-**	-
Total cash acquisition	**8,799,422**	285,284	**-**	-

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

GROUP

	At 1.4.18	**Cash flows**	**Others**	**At 31.3.19**
	RM	**RM**	**RM**	**RM**
Borrowings	**877,670**	**(347,327)**	**80,000**	**610,343**
Amount due to directors	**571,300**	**(86,145)**	**(408,411)**	**76,744**
	1,448,970	**(433,472)**	**(328,411)**	**687,087**

	At 1.4.17	Cash flows	Others	At 31.3.18
	RM	RM	RM	RM
Borrowings	-	877,670	-	877,670
Amount due to directors	1,884,946	(1,313,646)	-	571,300
Amount due to ultimate holding company	150,000	(150,000)	-	-
	2,034,946	(585,976)	-	1,448,970

COMPANY

	At 1.4.18	**Cash flows**	**Others**	**At 31.3.19**
	RM	**RM**	**RM**	**RM**
Amount due to directors	**162,889**	**(86,145)**	**-**	**76,744**

	At 1.4.17	Cash flows	Others	At 31.3.18
	RM	RM	RM	RM
Amount due to directors	1,275,250	(1,112,361)	-	162,889

The accompanying notes form an integral part of these financial statements.

1. **GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no changes in the nature of these activities during the financial year.

The registered office of the Company is located at 51-8-E, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business of the Company is located at No. 1, 2 ,7 & 8, Jalan PKNK 3, Kawasan Perusahaan LPK Fasa 3, 08000 Sungai Petani, Kedah.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 July 2019.

2. **BASIS OF PREPARATION**

2.1 **Statement of Compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2.2 **Basis of Measurement**

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the significant accounting policies as set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. **BASIS OF PREPARATION** (cont'd)

2.2 **Basis of Measurement** (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

2.3 **Functional and Presentation Currency**

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.4 **First Time Adoption of MFRSs**

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board.

This is the Group's and the Company's first set of financial statements prepared in accordance with MFRS.

The explanation and financial impact on transition to MFRS are disclosed in Note 36 to the financial statements.

2.5 **Standards Issued But Not Yet Effective**

The Group and the Company have not applied the following standards that have been issued but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2019
MFRS 16 Leases
Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015-2017 Cycle
IC Interpretation 23 Uncertainty over Income Tax Treatments

Effective for annual periods beginning on or after 1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combinations: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Effective for annual periods beginning on or after 1 January 2021
MFRS 17 Insurance Contracts

Effective date yet to be confirmed
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. **BASIS OF PREPARATION** (cont'd)

2.5 **Standards Issued But Not Yet Effective** (cont'd)

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption except as mentioned below:

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces *MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives* and *SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16* sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under *MFRS 117*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under *MFRS 16* is substantially unchanged from today's accounting under *MRFS 117*. Lessors will continue to classify all leases using the same classification principle as in *MFRS 117* and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under *MFRS 117*.

The Group and the Company are currently assessing the impact of *MFRS 16* and plan to adopt *MFRS 16* on the required effective date using the modified retrospective approach.

2.6 **Significant Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 **Judgements made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount and timing of revenue to be recognised from contracts with customers:

<u>Determining method to estimate variable consideration and assessing the constraint</u>

Certain contracts for the sales of diverse plasticware products include a right of return and discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

2. **BASIS OF PREPARATION** (cont'd)

2.6.1 **Judgements made in applying accounting policies** (cont'd)

Revenue from contracts with customers (cont'd)

Determining method to estimate variable consideration and assessing the constraint (cont'd)

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of diverse plasticware products with rights of return and discounts, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

2.6.2 **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Property development activities**

As revenue from ongoing property development activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the development and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

(ii) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

(iii) **Estimating variable consideration for returns and rebates**

The Group estimates variable consideration to be included in the transaction price for the sales of diverse plasticware products with rights of return and discounts.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each customers. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

2. **BASIS OF PREPARATION** (cont'd)

2.6.2 **Key sources of estimation uncertainty** (cont'd)

(iii) **Estimating variable consideration for returns and rebates** (cont'd)

The Group's expected discounts are analysed on a per customer. Determining whether a customer will be likely entitled to discounts will depend on the customer's historical discounts entitlement and outstanding receivables to date.

The Group applied a statistical model for estimating expected discounts. The model uses the historical purchasing patterns and discounts entitlement of customers to determine the expected discounts percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and discounts entitlements of customers will impact the expected discounts percentages estimated by the Group.

(iv) **Provision for expected credit losses ("ECL") of trade receivables**

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 32.3.1 to the financial statements.

(v) **Deferred tax assets**

Deferred tax assets are recognised for all other deductible temporary differences to the extent that it is probable that future taxable profit will be available against which those tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

During the year, a subsidiary of the Group has recognised deferred tax assets as at the end of the reporting period as management considered that it is probable that future taxable profits will be available against which the tax credits can be utilised. The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 8 to the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below:

3.1 **Basis of Consolidation**

(i) **Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured at cost less any impairment losses in the Company's financial statements, unless the investment is held for sale or distribution.

Upon disposal of an investment in a subsidiary, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

(ii) **Basis of consolidation**

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.14 to the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iii) **Business combination**

Business combinations are accounted for using the acquisition method from the acquisition date which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.1 **Basis of Consolidation** (cont'd)

(iii) **Business combination** (cont'd)

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) **Acquisitions of non-controlling interests**

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(v) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land	54 years
Buildings	1.8% - 2.0%
Machinery and equipment	10%
Office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.2 **Property, Plant and Equipment** (cont'd)

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the disposed assets and are recognised in profit or loss in the financial year in which the assets are derecognised.

3.3 **Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost. Initial cost comprises purchase price and any directly attributable expenditure for a purchased investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not amortised as it has an infinite life. Leasehold land and buildings are depreciated on the straight-line method to write off the cost to their residual values over their lease term of 60 years and estimated useful lives at 2% per annum respectively.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or asset) or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance leases

Leases of which the Group assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over its useful life. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.4 **Leases** (cont'd)

Operating leases

Leases, where the Group does not assume substantially all the risks and rewards of ownership, are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3.5 **Impairment of Non-Financial Assets**

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.6 **Inventory Properties**

Inventory properties comprise land held for development, property development costs and completed development units.

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs necessary to make the sale.

3.6.1 **Land held for development**

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.6 **Inventory Properties** (cont'd)

3.6.2 **Property development costs**

Property development costs comprise the cost of land, related development costs common to the project and direct building costs less cumulative amounts recognised as expense in the profit or loss. The inventory properties cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3.6.3 **Completed development units**

Completed development units represent completed residential properties. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to the project and direct building costs.

3.7 **Inventories**

Inventories of materials and goods are valued at the lower of cost (determined principally on the first-in, first out basis) and net realisable value. Cost consists of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

3.8 **Financial Instruments**

(i) **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

(ii) **Classification and subsequent measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated as hedging instruments, are classified into the following categories:
- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

However, in the current financial year, the Group and the Company do not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.8 **Financial Instruments** (cont'd)

(ii) **Classification and subsequent measurement of financial assets** (cont'd)

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments under MFRS 9.

(iii) **Impairment of financial assets**

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Instruments within the scope of the new requirements included loans, trade and other receivables and other debt-type financial assets measured at amortised cost and at FVOCI.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the Stage 1 category while 'lifetime expected credit losses' are recognised for the Stage 2 category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.8 **Financial Instruments** (cont'd)

(iv) **Classification and measurement of financial liabilities**

The Group's financial liabilities include loans and borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(v) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(vi) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the statement of comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.9 **Cash and Cash Equivalents**

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.10 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.11 **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.12 **Revenue**

The Group is in the business of:
(i) manufacturing and selling of diverse plasticware products; and
(ii) property development.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

3.12.1 **Sale of goods**

Revenue from sale of goods or services is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

3.12.1.1 **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sales of diverse plasticware products provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.12 **Revenue** (cont'd)

3.12.1.1 **Variable consideration** (cont'd)

Rights of return
Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in MFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Discounts
The Group gives trade discounts to certain customers once the customers have made early settlement. To estimate the variable consideration for the expected future trade discount, the Group applied the expected value method. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future trade discounts.

Volume rebates
The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

3.12.2 **Property development revenue**

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.12 **Revenue** (cont'd)

3.12.2 **Property development revenue** (cont'd)

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

3.12.3 **Interest income**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3.12.4 **Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3.12.5 **Contract balances**

3.12.5.1 **Contract assets**

A contract asset is the right to consideration for goods or services transferred to the customer. In the case of property development, a contract asset is the excess of cumulative revenue earned over the billings to-date.

A contract asset is subject to impairment in accordance to MFRS 9. When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

3.12.5.2 **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

3.12.6 **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.14 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill and / or the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.15 Goods and Services Tax ("GST") and Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of GST or SST except:

- where the GST or SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST or SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with GST or SST inclusive.

The net GST or SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.15 **Goods and Services Tax ("GST") and Sales and Service Tax ("SST")** (cont'd)

The Malaysian Government has zero rated the GST effective from 1 June 2018. The GST has been replaced with SST which came into effect on 1 September 2018. The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

3.16 **Foreign Currency Translations**

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation ("FTR") reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FTR in equity.

3.17 **Operating segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker, which in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.18 **Share Capital, Share Issuance Costs and Dividends**

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and / or liability according to the economic substance of the particular instrument.

Share issuance costs

Prior to Companies Act 2016 which came into operation on 31 January 2017, incremental external costs directly attributable to the issuance of new shares are deducted against the share premium account. Effective on 31 January 2017 and subsequent period, incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared.

3.19 **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.20 **Treasury Shares**

When share capital recognised as equity is repurchased, the amount of the consideration paid including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.21 **Earnings Per Ordinary Share**

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.22 **Related Parties**

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

(i) Has control or joint control over the Group;
(ii) Has significant influence over the Group; or
(iii) Is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.
(ii) One entity is an associate or joint venture of the other entity.
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
(vii) A person identified in (a) (i) above has significant influence over the Group or is a member of the key management personnel of the entity.
(viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group.

4. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	Leasehold land RM	Buildings RM	Machinery and equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2019						
At cost						
Balance at beginning	**2,100,000**	**9,844,292**	**27,115,929**	**2,482,157**	**3,255,175**	**44,797,553**
Additions	**-**	**-**	**8,248,518**	**30,358**	**600,546**	**8,879,422**
Disposal	**-**	**-**	**(293,000)**	**-**	**(81,253)**	**(374,253)**
Written off	**-**	**-**	**(53,757)**	**-**	**-**	**(53,757)**
Foregin currency translation	**-**	**-**	**-**	**71,531**	**-**	**71,531**
Balance at end	**2,100,000**	**9,844,292**	**35,017,690**	**2,584,046**	**3,774,468**	**53,320,496**
Accumulated depreciation						
Balance at beginning	**667,437**	**3,086,203**	**20,503,420**	**2,213,950**	**3,188,125**	**29,659,135**
Current charge	**38,850**	**183,094**	**1,045,549**	**6,996**	**102,136**	**1,376,625**
Disposal	**-**	**-**	**(293,000)**	**-**	**(1,354)**	**(294,354)**
Written off	**-**	**-**	**(15,880)**	**-**	**-**	**(15,880)**
Foregin currency translation	**-**	**-**	**-**	**34,567**	**-**	**34,567**
Balance at end	**706,287**	**3,269,297**	**21,240,089**	**2,255,513**	**3,288,907**	**30,760,093**
Accumulated impairment loss						
Balance at beginning	**-**	**-**	**854,672**	**233,906**	**-**	**1,088,578**
Foregin currency translation	**-**	**-**	**-**	**36,964**	**-**	**36,964**
Balance at end	**-**	**-**	**854,672**	**270,870**	**-**	**1,125,542**
Carrying amount	**1,393,713**	**6,574,995**	**12,922,929**	**57,663**	**485,561**	**21,434,861**
2018						
At cost						
Balance at beginning	2,100,000	9,844,292	26,846,696	2,466,106	5,557,160	46,814,254
Additions	-	-	269,233	16,051	-	285,284
Disposal	-	-	-	-	(2,301,985)	(2,301,985)
Balance at end	2,100,000	9,844,292	27,115,929	2,482,157	3,255,175	44,797,553
Accumulated depreciation						
Balance at beginning	628,587	2,903,109	19,827,339	2,204,525	5,265,520	30,829,080
Current charge	38,850	183,094	676,081	9,425	224,590	1,132,040
Disposal	-	-	-	-	(2,301,985)	(2,301,985)
Balance at end	667,437	3,086,203	20,503,420	2,213,950	3,188,125	29,659,135
Accumulated impairment loss	-	-	854,672	233,906	-	1,088,578
Carrying amount	1,432,563	6,758,089	5,757,837	34,301	67,050	14,049,840

4. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

(i) The leasehold land and buildings are pledged to a licensed bank as security for banking facility granted to a subsidiary.

(ii) The carrying amount of property, plant and equipment pledged to a licensed bank as security for banking facilities granted to a subsidiary is as follows:

	2019 RM	2018 RM
Leasehold land	**1,393,713**	-
Building	**6,574,994**	-
	7,968,707	-

(iii) The carrying amount of property, plant and equipment being acquired under finance lease liabilities are as follows:

	2019 RM	2018 RM
Machinery and equipment	**1,111,082**	1,249,967
Motor vehicle	**89,280**	-
	1,200,362	1,249,967

The leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 18 to the financial statements.

5. **INVESTMENT PROPERTIES**

GROUP

	Freehold land RM	**Leasehold land RM**	**Buildings RM**	**Total RM**
2019				
At cost	**552,000**	**1,063,509**	**14,721,548**	**16,337,057**
Accumulated depreciation				
Balance at beginning	**-**	**498,570**	**6,875,662**	**7,374,232**
Current charge	**-**	**17,761**	**294,434**	**312,195**
Balance at end	**-**	**(516,331)**	**(7,170,096)**	**(7,686,427)**
Carrying amount	**552,000**	**547,178**	**7,551,452**	**8,650,630**
2018				
At cost	552,000	1,063,509	14,721,548	16,337,057
Accumulated depreciation				
Balance at beginning	-	480,809	6,581,228	7,062,037
Current charge	-	17,761	294,434	312,195
Balance at end	-	(498,570)	(6,875,662)	(7,374,232)
Carrying amount	552,000	564,939	7,845,886	8,962,825

5. **INVESTMENT PROPERTIES** (cont'd)

COMPANY

	Leasehold land RM	Buildings RM	Total RM
2019			
At cost	**1,063,509**	**12,987,888**	**14,051,397**
Accumulated depreciation			
Balance at beginning	**498,570**	**6,179,998**	**6,678,568**
Current charge	**17,761**	**259,761**	**277,522**
Balance at end	**(516,331)**	**(6,439,759)**	**(6,956,090)**
Carrying amount	**547,178**	**6,548,129**	**7,095,307**
2018			
At cost	1,063,509	12,987,888	14,051,397
Accumulated depreciation			
Balance at beginning	480,809	5,920,237	6,401,046
Current charge	17,761	259,761	277,522
Balance at end	(498,570)	(6,179,998)	(6,678,568)
Carrying amount	564,939	6,807,890	7,372,829

(i) The carrying amount of investment properties pledged to a licensed bank as security for banking facilities granted to a subsidiary is as follows:

	GROUP	
	2019 RM	2018 RM
Freehold land	-	552,000
Buildings	-	1,037,996
Balance at end	-	1,589,996

(ii) The following are recognised in profit or loss in respect of investment properties:

	GROUP		COMPANY	
	2019 RM	2018 RM	**2019 RM**	2018 RM
Rental income from investment properties	**1,162,700**	792,000	**1,018,700**	660,000
Direct operating expenses arising from investment properties that generated rental during the financial year	**(359,044)**	(505,496)	**(347,537)**	(493,989)

(iii) The fair value of investment properties is disclosed in Note 33.2 to the financial statements.

6. **INVENTORY PROPERTIES**

		GROUP		
			(Restated)	(Restated)
		31.3.19	31.3.18	1.4.17
	Note	**RM**	RM	RM
Non-current:				
Land held for development	**6.1**	**14,784,558**	14,678,951	14,453,991
Current:				
Property development costs	**6.2**	**7,506,178**	4,045,208	20,545,149
Completed development units		**12,240,724**	16,742,084	3,426,199
Balance at end		**19,746,902**	20,787,292	23,971,348

6.1 **Land held for development**

GROUP

	Freehold land RM	**Development costs RM**	**Total RM**
2019			
Balance at 1.4.18	**13,155,887**	**1,523,064**	**14,678,951**
Additions	**-**	**138,743**	**138,743**
Expensed off	**(33,136)**	**-**	**(33,136)**
Balance at 31.3.19	**13,122,751**	**1,661,807**	**14,784,558**
2018			
Balance at 1.4.17	13,155,887	1,298,104	14,453,991
Additions	-	224,960	224,960
Balance at 31.3.18	13,155,887	1,523,064	14,678,951

6. **INVENTORY PROPERTIES** (cont'd)

6.2 **Property development costs**

GROUP

	Freehold land RM	**Development costs RM**	**Total RM**
2019			
Cumulative property development costs			
Balance at 1.4.18	**13,315,750**	**75,459,180**	**88,774,930**
Costs incurred during the financial year	**-**	**3,460,970**	**3,460,970**
Balance at 31.3.19	**13,315,750**	**78,920,150**	**92,235,900**
Cumulative costs recognised in profit or loss			
Balance at 1.4.18/31.3.19	**(10,139,982)**	**(74,589,740)**	**(84,729,722)**
Property development costs at 31.3.19	**3,175,768**	**4,330,410**	**7,506,178**
2018			
Cumulative property development costs			
Balance at 1.4.17	15,427,286	84,197,313	99,624,599
Costs incurred during the financial year	-	2,466,216	2,466,216
Unsold units transferred to inventories	(2,111,536)	(11,204,349)	(13,315,885)
Balance at 31.3.18	13,315,750	75,459,180	88,774,930
Cumulative costs recognised in profit or loss			
Balance at 1.4.17	(10,139,982)	(68,939,468)	(79,079,450)
Recognised during the financial year	-	(5,750,062)	(5,750,062)
Reversal of completed projects	-	99,790	99,790
Balance at 31.3.18	(10,139,982)	(74,589,740)	(84,729,722)
Property development costs at 31.3.18	3,175,768	869,440	4,045,208

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2019	2018
	RM	RM
Unquoted shares, at cost		
Balance at beginning	**207,852,393**	207,852,393
Disposal during the year	**(6)**	-
Balance at end	**207,852,387**	207,852,393
Less: Allowance for impairment		
Balance at beginning	**(180,603,161)**	(180,603,161)
Reversal	**6,667,119**	-
Disposal during the year	**6**	-
Balance at end	**(173,936,036)**	(180,603,161)
	33,916,351	27,249,232

The details of the subsidiaries, all of which were incorporated in Malaysia, except where indicated are as follows:

Name of entities	**Effective equity interest**		**Principal activities**
	2019	2018	
	%	%	
Supportive Technology Sdn. Bhd.	**100**	100	Manufacturing of diverse plasticware products.
Supportive Marketing Sdn. Bhd. (formerly known as Ascall Sdn. Bhd.)	**100**	100	Wholesale of plasticware products.
Welcome Properties Sdn. Bhd.	**100**	100	Property development.
Supportive Information Technology Development (Hunan) Co. Ltd. # (Incorporated in the People's Republic of China)	**100**	100	Dormant.
Supportive Development Sdn. Bhd.	**-**	60	Dormant.

Not audited by Grant Thornton. In the process of dissolution, and consolidated using unaudited financial statements.

7. **INVESTMENT IN SUBSIDIARIES** (cont'd)

2019

Reversal of impairment on investment in subsidiaries

During the financial year, a reversal of impairment loss amounting to **RM6,667,119** (2018: RM Nil) in respect of the investment in Supportive Technology Sdn. Bhd. was made to the extent of the net assets held by the subsidiary.

Disposal of a subsidiary

On 30 August 2018, the Company disposed of its 60% equity interest in Supportive Development Sdn. Bhd. ("SDSB") to a third party for a cash consideration of RM1.

The effect of the disposal of SDSB on the financial position of the Group as at the date of disposal was as follows:

	RM
Cash in hand	**10**
Deposit	**30,000**
Other payables and accruals	**(690,068)**
Amount due to a related company	**(37,314)**
Amount due to director	**(408,411)**
Net liabilities disposed of	**(1,105,783)**
Less: Non-controlling interests	**(442,313)**
Group's share of net liabilities	**(663,470)**
Total disposal proceeds settled by cash	**(1)**
Gain on disposal to the Group (Note 25)	**(663,471)**
Net cash outflow arising from disposal of a subsidiary:	
Proceeds from disposal	**1**
Less: Cash in hand of a subsidiary disposed of	**(10)**
Net cash outflow from disposal	**(9)**

8. **DEFERRED TAX LIABILITIES/(ASSETS)**

	GROUP		**COMPANY**	
		(Restated)		
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Balance at beginning	**2,023,528**	1,716,528	**165,000**	164,000
Recognised in profit or loss	**346,656**	201,000	**178,932**	(11,000)
Effects of adopting MFRS 15	**-**	(9,000)	**-**	-
As restated	**346,656**	192,000	**178,932**	(11,000)
	2,370,184	1,908,528	**343,932**	153,000
(Over)/Under provision in prior year	**(223,103)**	115,000	**(22,102)**	12,000
Balance at end	**2,147,081**	2,023,528	**321,830**	165,000

8. **DEFERRED TAX LIABILITIES/(ASSETS)** (cont'd)

The recognised deferred tax liabilities/(assets), after appropriate offsetting, are as follows:

	GROUP		COMPANY	
		(Restated)		
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Deferred tax liabilities	**2,235,620**	2,023,528	**321,830**	165,000
Deferred tax assets	**(88,539)**	-	**-**	-
Balance at end	**2,147,081**	2,023,528	**321,830**	165,000

The deferred tax liabilities at the end of the reporting period are made up of the temporary differences arising from:

	GROUP		COMPANY	
		(Restated)		
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Property, plant and equipment	**1,946,303**	1,431,000	**-**	-
Investment properties	**411,326**	411,000	**411,326**	411,000
Property development costs	**1,586,528**	1,586,528	**-**	-
Unabsorbed capital allowances	**(1,678,697)**	(793,000)	**(89,496)**	(108,000)
Unused tax losses	**-**	(593,551)	**-**	(138,000)
Other deductible temporary differences	**(118,379)**	(18,449)	**-**	-
	2,147,081	2,023,528	**321,830**	165,000

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Unused tax losses	**2,854,000**	-	**575,000**	-

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Unabsorbed capital allowances	**6,994,569**	3,305,000	**372,901**	450,000
Unused tax losses	**2,854,000**	2,473,129	**575,000**	575,000

The unused tax losses can be carried forward for seven consecutive years of assessment immediately following that year of assessment (unused tax losses accumulated up to year of assessment 2018 can be carried forward until year of assessment 2025) and the unabsorbed capital allowances can be carried forward indefinitely pursuant to the gazetted Finance Act 2018.

9. INVENTORIES

	GROUP		
		(Restated)	(Restated)
	31.3.19	31.3.18	1.4.17
	RM	RM	RM
Raw materials	**673,644**	522,930	541,450
Finished goods	**1,689,189**	1,620,872	1,231,601
	2,362,833	2,143,802	1,773,051
Cost of inventories recognised in profit or loss:			
Inventories recognised as costs of sales	**15,862,225**	11,551,507	13,007,545
Inventories written down	**561,416**	-	-

10. TRADE RECEIVABLES

	GROUP	
	2019	2018
	RM	RM
Trade receivables	**8,745,543**	12,429,778
Less: Allowance for expected credit losses	**(755,726)**	(384,534)
	7,989,817	12,045,244
Retention sum receivables	**2,953,249**	-
	10,943,066	12,045,244

The trade receivables are non-interest bearing and generally on **14 to 120 days** (2018: 21 to 120 days) credit terms.

The movement of the allowance for expected credit losses is as follows:

	GROUP	
	2019	2018
	RM	RM
Balance at beginning	**(384,534)**	(195,940)
Current year	**(375,467)**	(188,594)
Recovered	**4,275**	-
Balance at end	**(755,726)**	(384,534)

The currency profile of trade receivables is as follows:

	GROUP	
	2019	2018
	RM	RM
Ringgit Malaysia	**10,942,731**	12,033,760
United States Dollar	**335**	11,484
	10,943,066	12,045,244

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Other receivables	**265,523**	7,359,147	**-**	6,081,000
Less: Allowance for expected credit losses	**-**	(936,763)	**-**	-
	265,523	6,422,384	**-**	6,081,000
Deposits				
- Refundable	**1,061,482**	891,018	**14,105**	14,105
- Non-refundable	**551,524**	3,260,670	**-**	-
Prepayments	**76,894**	30,000	**-**	-
GST recoverable	**1,856**	1,131	**-**	-
	1,957,279	10,605,203	**14,105**	6,095,105

The movement of the allowance for expected credit losses is as follows:

	GROUP	
	2019	2018
	RM	RM
Balance at beginning	**(936,763)**	(936,763)
Disposal of a subsidiary	**936,763**	-
Balance at end	**-**	(936,763)

The currency profile of other receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Ringgit Malaysia	**1,405,755**	7,344,533	**14,105**	6,095,105
United States Dollar	**551,524**	3,260,670	**-**	-
	1,957,279	10,605,203	**14,105**	6,095,105

GROUP AND COMPANY

Included in other receivables, deposits and prepayments are the proceeds from the private placement exercise amounting to **RM Nil** (2018: RM6,081,000) held in trust by the placement agent. The amount was released to the Company in the current financial year upon the completion of the private placement exercise.

11. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS** (cont'd)

GROUP

Included in other receivables, deposits and prepayments are the following:

(i) Deposits paid for the purchase of moulds and equipment and 52 pieces of freehold vacant lots for shop houses amounting to **RM551,524** (2018: RM3,260,670) and **RM755,187** (2018: RM704,443) respectively. The purchase of vacant lots has not been completed as the vendor has yet to fulfil all condition precedent associated with the sale and purchase agreement. The balance purchase consideration is disclosed as capital commitment in Note 30 to the financial statements; and

(ii) An amount of **RM Nil** (2018: RM223,891) paid to a company in which a director of the Group has substantial financial interest. The amount paid are deposits for the purchase of used motor vehicles.

12. **AMOUNT DUE FROM/TO SUBSIDIARIES**

COMPANY

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

The amount due to subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand.

13. **CONTRACT ASSETS**

	GROUP	
	2019	2018
	RM	RM
Balance at beginning	**-**	15,854,519
Revenue recognised during the year	**-**	11,977,628
Progress billing during the year	**-**	(27,832,147)
Balance at end	**-**	-

Contract assets are in relation to the accrued billings in respect of sales of development units.

14. **CASH AND BANK BALANCES**

	GROUP		**COMPANY**	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Fixed deposits with a licensed bank	**194,204**	188,907	**-**	-
Cash and bank balances	**4,955,448**	4,351,648	**738,421**	515,415
Housing Development Account	**1,618,994**	1,501,028	**-**	-
	6,768,646	6,041,583	**738,421**	515,415

14. **CASH AND CASH EQUIVALENTS** (cont'd)

The currency profile of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Ringgit Malaysia	**6,766,257**	6,032,082	**738,421**	515,415
United States Dollar	**2,389**	9,501	**-**	-
	6,768,646	6,041,583	**738,421**	515,415

The fixed deposits with a licensed bank are pledged to a licensed bank as security for banking facilities granted to a subsidiary.

The effective interest rates per annum and maturity of the fixed deposits with a licensed bank of the Group as at the end of the reporting period ranged from **2.55% to 2.80%** (2018: 2.70% to 2.80%) per annum and **1 month to 12 months** (2018: 1 month to 12 months) respectively.

The Housing Development Account ("HDA") is maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (HDA) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities.

Included in the Group's cash and bank balances is bank balance of **RM12,875** (2018: RM166,309) which is held in trust for a Joint Management Body of a strata development project by a subsidiary.

15. **SHARE CAPITAL**

	Number of ordinary shares		Amount	
	2019	2018	**2019**	2018
			RM	RM
Issued and fully paid:				
Balance at beginning	**238,758,000**	218,488,000	**226,050,958**	219,969,958
Issuance pursuant to private placement	**-**	20,270,000	**-**	6,081,000
Balance at end	**238,758,000**	238,758,000	**226,050,958**	226,050,958

16. **TREASURY SHARES**

The shareholders of the Company by a resolution passed at the Extraordinary General Meeting held on 29 July 2010, approved the Company's plan to purchase its own shares.

The amount stated in the statements of financial position represents the acquisition cost of treasury shares.

Out of the total **238,758,000** (2018: 238,758,000) issued and fully paid ordinary shares as at the end of the reporting period, **8,784,500** (2018: 8,784,500) are held as treasury shares by the Company. As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid is therefore **229,973,500** (2018: 229,973,500) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

17. **FOREIGN CURRENCY TRANSLATION RESERVE**

The foreign currency translation reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiary.

18. **BORROWINGS**

	GROUP	
	2019	2018
	RM	RM
Non-current liabilities		
Finance lease liabilities		
Minimum payments:		
Within one year	**404,068**	387,612
More than one year and less than two years	**195,822**	387,612
More than two years and less than five years	**47,832**	177,870
	647,722	953,094
Future finance charges	**(37,379)**	(75,424)
	610,343	877,670
Amount due within one year included under current liabilities	**(376,250)**	(341,387)
	234,093	536,283
Current liabilities		
Finance lease liabilities	**376,250**	341,387
Total borrowings	**610,343**	877,670

The finance lease liabilities are secured over the leased assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and the maturities of the borrowings is as follows:

GROUP	Average effective interest rate per annum %	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
2019					
Finance lease liabilities	**2.43 to 3.09**	**610,343**	**376,250**	**189,065**	**45,028**
2018					
Finance lease liabilities	3.09	877,670	341,387	362,716	173,567

19. **TRADE PAYABLES**

	GROUP	
	2019	2018
	RM	RM
Non-current liability		
Retention sum payables	**166,715**	-
Current liabilities		
Trade payables	**2,664,996**	10,363,876
Retention sum payables	**671,666**	-
	3,336,662	10,363,876
Total trade payables	**3,503,377**	10,363,876

The currency profile of trade payables is as follows:

	GROUP	
	2019	2018
	RM	RM
Ringgit Malaysia	**3,503,075**	10,363,876
United States Dollar	**302**	-
	3,503,377	10,363,876

Trade payables are unsecured, non-interest bearing and are normally settled on **30 to 120 days** (2018: 30 to 120 days) credit terms.

20. **OTHER PAYABLES AND ACCRUALS**

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Related parties	**5,815,000**	2,682,750	**5,800,000**	-
Other payables	**3,569,537**	1,692,407	**437,399**	569,782
Accruals	**1,188,552**	927,947	**132,230**	79,617
GST payable	**-**	99,953	**-**	1,480
	10,573,089	5,403,057	**6,369,629**	650,879

Related parties are owed to the following parties:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Persons connected to a director of the Company	**-**	682,750	**-**	-
Corporate shareholder of the Company	**5,815,000**	2,000,000	**5,800,000**	-

20. **OTHER PAYABLES AND ACCRUALS** (cont'd)

The currency profile of other payables and accruals is as follows:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Ringgit Malaysia	**10,330,417**	5,193,502	**6,369,629**	650,879
Renminbi	**242,672**	209,555	**-**	-
	10,573,089	5,403,057	**6,369,629**	650,879

21. **AMOUNT DUE TO ULTIMATE HOLDING COMPANY**

The amount due to ultimate holding company was non-trade related, unsecured, non-interest bearing and repayable on demand.

22. **AMOUNT DUE TO DIRECTORS**

The amount due to directors is unsecured, non-interest bearing and repayable on demand.

23. **REFUND LIABILITIES**

	GROUP		
		(Restated)	(Restated)
	31.3.19	31.3.18	1.4.17
	RM	RM	RM
Arising from volume rebates	**49,284**	10,897	-
Arising from rights of return	**139,797**	141,297	149,982
Arising from trade discounts	**217,987**	172,449	131,769
	407,068	324,643	281,751

Refund liabilities arising from volume rebates represent volume rebates provided to certain customers which are entitled to a rebate once the quantity of products purchased during the period exceeds the threshold specified in the sales contract. The rebates will be offset against balance owing by the customer. The volume rebates provided are expected to materialise within the next financial year.

Refund liabilities arising from rights of return represent the sales return from the customers.

Refund liabilities arising from trade discounts represent early payment discounts to the customers who have settled the payments within certain period of time specified in the contract.

24. REVENUE

24.1 Disaggregated revenue information

	GROUP		COMPANY	
		(Restated)		
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Types of goods or service				
Sale of goods	**18,245,657**	15,050,467	**-**	-
Sales of completed development units	**7,409,732**	-	**-**	-
Property development revenue	**-**	11,977,628	**-**	-
Rental income	**1,018,700**	660,000	**1,018,700**	660,000
Total revenue from contracts with customers	**26,674,089**	27,688,095	**1,018,700**	660,000
Geographical markets				
Malaysia	**25,385,745**	26,522,760	**1,018,700**	600,000
Brunei	**710,058**	770,963	**-**	-
Singapore	**504,986**	133,540	**-**	-
Other countries	**73,300**	260,832	**-**	-
Total revenue from contracts with customers	**26,674,089**	27,688,095	**1,018,700**	660,000
Timing of revenue recognition				
At a point in time	**26,674,089**	15,710,466	**1,018,700**	660,000
Over time	**-**	11,977,629	**-**	-
Total revenue from contracts with customers	**26,674,089**	27,688,095	**1,018,700**	660,000

24.2 Contract balances

	GROUP	
	2019	2018
	RM	RM
Trade receivables (Note 10)	**10,943,066**	12,045,244

24.3 Performance obligations

Group

(i) **Sales of goods**

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(ii) **Sales of properties**

For sale of development units under development, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For sale of completed properties the performance obligation is satisfied upon delivery of the properties.

25. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
After charging:				
Allowance for expected credit losses	**375,468**	188,594	**-**	-
Auditor's remuneration				
- Statutory audit				
- Company's auditors	**96,000**	96,000	**30,000**	30,000
- (over)/under provision in prior year	**(17,000)**	3,000	**-**	2,000
- Other auditors	**-**	2,000	**-**	-
- Other services	**7,500**	5,000	**7,500**	5,000
Bad debts	**-**	25,000	**-**	-
Depreciation				
- investment properties	**312,195**	312,195	**277,522**	277,522
- property, plant and equipment	**1,376,625**	1,132,040	**-**	-
Employee benefits expense (Note 26)	**4,883,734**	4,388,426	**412,728**	246,349
Inventories written down	**561,416**	-	**-**	-
Interest expense on finance lease liabilities	**47,765**	23,223	**-**	-
Loss on disposal of property, plant and equipment	**6,899**	-	**-**	-
Property, plant and equipment written off	**37,877**	-	**-**	-
Realised loss on foreign exchange	**57,449**	-	**-**	-
Rental of equipment	**450**	-	**-**	-
Rental of premises	**35,650**	29,450	**-**	-
And crediting:				
Bad debts recovered	**4,275**	-	**-**	-
Gain on disposal of property, plant and equipment	**-**	189,623	**-**	-
Gain on disposal of a subsidiary	**663,471**	-	**1**	-
Interest income	**35,290**	50,418	**-**	-
Realised gain on foreign exchange	**-**	76,356	**-**	-
Rental income	**163,000**	151,200	**-**	-
Reversal of impairment loss on investment in a subsidiary	**-**	-	**6,667,119**	-

26. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Salaries, bonus, allowances and others	**4,354,730**	3,850,319	**292,795**	96,000
EPF	**405,054**	342,187	**33,120**	11,520
SOCSO	**31,317**	27,920	**1,680**	829
Fees	**92,633**	168,000	**85,133**	138,000
	4,883,734	4,388,426	**412,728**	246,349

Included in the employee benefits expense of the Group and of the Company are directors' remuneration and directors' fee as shown below:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Executive directors of the Company:				
- Salaries, bonus and others	**670,975**	968,858	**294,475**	96,829
- EPF	**115,620**	120,420	**33,120**	11,520
- Fee	**40,000**	-	**40,000**	-
	826,595	1,089,278	**367,595**	108,349
Non-executive directors of the Company:				
- Fees	**44,300**	168,000	**36,800**	138,000
Executive director of subsidiary:				
- Salaries, bonus and others	**115,680**	-	**-**	-
- EPF	**26,400**	-	**-**	-
- Fee	**8,333**	-	**8,333**	-
	150,413	-	**8,333**	-
	1,021,308	1,257,278	**412,728**	246,349
Present directors:				
- Executive	**826,595**	1,089,278	**367,595**	108,349
- Non-executive	**30,800**	162,000	**30,800**	132,000
	857,395	1,251,278	**398,395**	240,349
Former directors:				
- Executive	**150,413**	-	**8,333**	-
- Non-executive	**13,500**	6,000	**6,000**	6,000
	163,913	6,000	**14,333**	6,000
	1,021,308	1,257,278	**412,728**	246,349

27. **TAX INCOME/(EXPENSE)**

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	**(765,937)**	(1,500,000)	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**(346,656)**	(192,000)	**(178,932)**	11,000
- Real property gain tax	**-**	(250)	**-**	-
	(1,112,593)	(1,692,250)	**(178,932)**	11,000
Over/(under) provision in prior years				
- Current tax	**9,212,743**	779	**-**	-
- Deferred tax	**223,103**	(115,000)	**22,102**	(12,000)
	9,435,846	(114,221)	**22,102**	(12,000)
	8,323,253	(1,806,471)	**(156,830)**	(1,000)

The reconciliation of tax income/(expense) of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Profit/(Loss) before tax	**1,292,280**	5,139,462	**6,669,062**	(343,477)
Income tax at Malaysian statutory tax rate of 24%	**(310,147)**	(1,233,471)	**(1,600,575)**	82,434
Effects of:				
- Income not subject to tax	**-**	41,220	**1,600,109**	-
- Expenses not deductible for tax purposes	**(117,619)**	(499,749)	**(40,566)**	(71,434)
Reversal of deferred tax assets on unused tax losses previously recognised	**(684,827)**	-	**(137,900)**	-
Real property gain tax	**-**	(250)	**-**	-
	(1,112,593)	(1,692,250)	**(178,932)**	11,000
Over/(under) provision in prior years	**9,435,846**	(114,221)	**22,102**	(12,000)
	8,323,253	(1,806,471)	**(156,830)**	1,000

On 19 March 2019, a subsidiary of the Company, Supportive Technology Sdn. Bhd. ("STSB") has entered into a Settlement Agreement ("SA") with the Inland Revenue Board of Malaysia ("IRB"). Through the SA, IRB allowed STSB the following:

(i) To revise STSB's tax computations for years of assessment 2003 to 2005; and

(ii) To claim the tax exemption granted via the Income Tax (Exemption) (No. 17) Order 2005 [PU(A) 158/2005] for years of assessment 2003 to 2005.

STSB had received the notifications of reduced assessment dated 9 May 2019 from IRB for the sum of RM9,167,241 of which the full amount had been received on 17 July 2019.

28. **EARNINGS PER SHARE**

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year excluding the treasury shares as follows:

	GROUP	
		(Restated)
	2019	2018
Profit attributable to owners of the Company (RM)	**9,616,724**	3,335,525
Weighted average number of ordinary shares in issue	**229,973,500**	209,814,568
Basic earnings per share (sen)	**4.18**	1.59

Basic and diluted earnings per share are the same as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

29. **SEGMENTAL INFORMATION**

Segment information is presented in respect of the Group's business segment.

Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets, revenue and expenses.

Business Segments

The Group comprises the following main business segments:

(i)	Manufacturing	Manufacture of diverse plasticware products.
(ii)	Property development	Housing and property development activities.
(iii)	Others	Investment holding.

29. **SEGMENTAL INFORMATION** (cont'd)

By business segments

	Manufacture of diverse plasticware products RM	Property development RM	Others RM	Adjustment RM	Note	Total RM
2019						
Revenue						
External customers	25,144,081	7,409,732	1,018,700			33,572,513
Inter-segment revenue	(6,898,424)	-	-			(6,898,424)
Total revenue	18,245,657	7,409,732	1,018,700			26,674,089
Results						
Segment results	(1,524,513)	2,166,831	662,437			1,304,755
Interest income	-	35,290	-			35,290
Interest expense	(47,765)	-	-			(47,765)
Profit/(Loss) before tax	(1,572,278)	2,202,121	662,437			1,292,280
Tax income/(expense)	9,038,581	(558,498)	(156,830)			8,323,253
Profit/(Loss) for the financial year	7,466,303	1,643,623	505,607			9,615,533
Assets						
Segment assets, representing total assets	41,708,364	47,217,381	7,847,833			96,773,578
Liabilities						
Segment liabilities, representing total liabilities	5,343,574	5,146,728	7,010,876			17,501,178
Other information						
Addition to non-current assets	8,711,572	167,850	-	-	A	8,879,422
Depreciation	1,385,074	26,224	277,522	-		1,688,820
Non-cash items other than depreciation	981,660	-	-	(663,471)	B	318,189

29. **SEGMENTAL INFORMATION** (cont'd)

By business segments

	Manufacture of diverse plasticware products RM	Property development RM	Others RM	Adjustment RM	Note	Total RM
(Restated) 2018						
Revenue						
External customers	15,050,467	11,977,628	660,000			27,688,095
Inter-segment revenue	-	-	-			-
Total revenue	15,050,467	11,977,628	660,000			27,688,095
Results						
Segment results	458,391	5,009,355	(355,479)			5,112,267
Interest income	-	50,418	-			50,418
Interest expense	(23,223)	-	-			(23,223)
Profit/(Loss) before tax	435,168	5,059,773	(355,479)			5,139,462
Tax expense	(288,471)	(1,517,000)	(1,000)			(1,806,471)
Profit/(Loss) for the financial year	180,589	4,561,652	(356,479)			3,332,991
Assets						
Segment assets, representing total assets	28,379,057	42,263,671	49,234,346			89,402,269
Liabilities						
Segment liabilities, representing total liabilities	5,489,266	13,332,706	3,115,375			20,154,597
Other information						
Addition to non-current assets	285,284	-	-		A	285,284
Depreciation	1,166,363	350	277,522			1,444,235
Non-cash items other than depreciation	(1,029)	(993,879)	-	1,018,879	B	23,971

29. **SEGMENTAL INFORMATION** (cont'd)

Notes to segment information:

A Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment.

B Other non-cash items consist of the following:

	GROUP	
	2019	2018
	RM	RM
Allowance for expected credit losses	**375,468**	188,594
Bad debts	**-**	25,000
Gain on disposal of a subsidiary	**(663,471)**	-
Gain on disposal of property, plant and equipment	**-**	(189,623)
Inventories written down	**561,416**	-
Loss on disposal of property, plant and equipment	**6,899**	-
Property, plant and equipment written off	**37,877**	-
	318,189	23,971

By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

	Revenue		Non-current assets	
	2019	2018	**2019**	2018
	RM	RM	**RM**	RM
Malaysia	**25,385,745**	26,522,760	**44,958,588**	37,691,616
Brunei	**710,058**	770,963	**-**	-
Singapore	**504,986**	133,540	**-**	-
Other countries	**73,300**	260,832	**-**	-
	26,674,089	27,688,095	**44,958,588**	37,691,616

C The Group did not have any major customer that contributed 10% or more of its total revenue.

30. **CAPITAL COMMITMENTS**

	GROUP	
	2019	2018
	RM	RM
Contracted but not provided for:		
- Property, plant and equipment	**565,968**	4,739,812
- Land held for development	**2,244,813**	2,295,557
	2,810,781	7,035,369

31. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Company has related party relationship with its subsidiaries, key management personnel and the following party:

Related party	Relationship
- Nada Wangi Sdn. Bhd.	A corporate shareholder of the Company.
- Acme Ware Sdn. Bhd.	A company in which a director of the Company, Dato' Sri Dr. Lee Kuang Shing, has substantial financial interest.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2019 RM	2018 RM	**2019 RM**	2018 RM
Advances from Nada Wangi Sdn. Bhd.	**5,800,000**	-	**5,800,000**	-
Rental charged by Nada Wangi Sdn. Bhd.	**15,000**	-	**-**	-
Purchase of motor vehicle from Acme Ware Sdn. Bhd.	**348,238**	-	**-**	-

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The remuneration of directors is disclosed under Note 26 to the financial statements. The Group does not have any members of key management personnel.

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
GROUP		
2019		
Financial assets		
Trade receivables	**10,943,066**	**10,943,066**
Other receivables and refundable deposits	**1,327,005**	**1,327,005**
Cash and bank balances	**6,768,646**	**6,768,646**
	19,038,717	**19,038,717**
Financial liabilities		
Borrowings	**610,343**	**610,343**
Trade payables	**3,503,377**	**3,503,377**
Other payables and accruals	**10,572,289**	**10,572,289**
Amount due to directors	**77,544**	**77,544**
	14,763,553	**14,763,553**

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.1 **Categories of financial instruments** (cont'd)

	Carrying amount RM	AC RM
GROUP (cont'd)		
2018		
Financial assets		
Trade receivables	12,045,244	12,045,244
Other receivables and refundable deposits	7,313,402	7,313,402
Cash and bank balances	6,041,583	6,041,583
	25,400,229	25,400,229
Financial liabilities		
Borrowings	877,670	877,670
Trade payables	10,363,876	10,363,876
Other payables and accruals excluding GST payable	5,303,104	5,303,104
Amount due to directors	571,300	571,300
	7,115,950	17,115,950
COMPANY		
2019		
Financial assets		
Refundable deposits	**14,105**	**14,105**
Amount due from subsidiaries	**14,656,531**	**14,656,531**
Cash and bank balances	**738,421**	**738,421**
	15,409,057	**15,409,057**
Financial liabilities		
Other payables and accruals	**6,368,829**	**6,368,829**
Amount due to directors	**77,544**	**77,544**
	6,446,373	**6,446,373**
2018		
Financial assets		
Trade receivables	6,095,105	6,095,105
Amount due from subsidiaries	3,514,122	3,514,122
Cash and bank balances	515,415	515,415
	10,124,642	10,124,642
Financial liabilities		
Other payables and accruals excluding GST payable	649,399	649,399
Amount due to subsidiaries	627,655	627,655
Amount due to directors	162,889	162,889
	1,439,943	1,439,943

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.2 **Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

32.3 **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables and deposits placed with financial institutions while the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institution in respect of credit facilities granted to its subsidiaries.

32.3.1 **Trade receivables**

The Group and the Company do not have any significant exposure to any individual customer. The maximum exposure to credit risk of trade receivables is represented by their carrying amounts as disclosed in Note 10 to the financial statements.

As for the Group's manufacturing segment, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness in deciding whether credit shall be extended. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Credit risk in the property development activity is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements. For those sales on a cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered upon full payments. This is the normal industry practice.

The ageing analysis of trade receivables of the Group at the end of the reporting period is as follows:

	Gross RM	**Expected credit loss RM**	**Net RM**
GROUP			
2019			
Not past due	**2,712,771**	**-**	**2,712,771**
1 to 30 days past due	**1,273,018**	**-**	**1,273,018**
31 to 60 days past due	**1,072,481**	**-**	**1,072,481**
Past due more than 60 days	**6,640,522**	**(755,726)**	**5,884,796**
	8,986,021	**(755,726)**	**8,230,295**
	11,698,792	**(755,726)**	**10,943,066**
2018			
Not past due	2,550,151	-	2,550,151
1 to 30 days past due	1,454,421	-	1,454,421
31 to 60 days past due	2,512,623	-	2,512,623
Past due more than 60 days	5,912,583	(384,534)	5,528,049
	9,879,627	(384,534)	9,495,093
	12,429,778	(384,534)	12,045,244

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.3.1 **Trade receivables**

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM8,230,295** (2018: RM9,495,093) that are past due at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

The Group's manufacturing and property development segment has significant concentration of credit risks in the form of outstanding balance due from **8 customers** (2018: 2 customers) representing **37%** (2018: 17%) of total receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	**Expected credit loss RM**	**Net RM**
Credit risk rating			
2019			
Low risk	**10,943,066**	**-**	**10,943,066**
Individually impaired	**755,726**	**(755,726)**	**-**
	11,698,792	**(755,726)**	**10,943,066**
2018			
Low risk	12,045,244	-	12,045,244
Individually impaired	384,534	(384,534)	-
	12,429,778	(384,534)	12,045,244

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.3.1 **Trade receivables** (cont'd)

In respect of the Group's development properties, most of the end-buyers obtain end-financing to fund their purchases of the Group's properties. In such cases, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

32.3.2 **Intercompany advances**

The Company provides advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

32.3.3 **Financial guarantees**

The Company has issued secured financial guarantees to financial institution for banking facilities granted to a subsidiary up to a limit of **RM4,744,157** (2018: RM1,064,157) of which none were utilised as at the end of the reporting period.

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

32.4 **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.4 **Liquidity risk** (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2019					
Non-derivative financial assets					
Trade receivables	**10,943,066**	**10,943,066**	**10,943,066**	**-**	**-**
Other receivables and refundable deposits	**1,327,005**	**1,327,005**	**1,327,005**	**-**	**-**
Cash and bank balances	**6,768,646**	**6,768,646**	**6,768,646**	**-**	**-**
Total undiscounted financial assets	**19,038,717**	**19,038,717**	**19,038,717**	**-**	**-**
Non-derivative financial liabilities					
Borrowings	**610,343**	**647,722**	**404,068**	**195,822**	**47,832**
Trade payables	**3,503,377**	**3,503,377**	**3,503,377**	**-**	**-**
Other payables and accruals	**10,572,289**	**10,572,289**	**10,572,289**	**-**	**-**
Amount due to directors	**77,544**	**77,544**	**77,544**	**-**	**-**
Total undiscounted financial liabilities	**14,763,553**	**14,800,932**	**14,557,278**	**195,822**	**47,832**
Net undiscounted financial assets/ (liabilities)	**4,275,164**	**4,237,785**	**4,581,439**	**(195,822)**	**(47,832)**
2018					
Non-derivative financial assets					
Trade receivables	12,045,244	12,045,244	12,045,244	-	-
Other receivables and refundable deposits	7,313,402	7,313,402	7,313,402	-	-
Cash and bank balances	6,041,583	6,041,583	6,041,583	-	-
Total undiscounted financial assets	25,400,229	25,400,229	25,400,229	-	-

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.4 **Liquidity risk** (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2018					
Non-derivative financial liabilities					
Borrowings	877,670	953,094	387,612	387,612	177,870
Trade payables	10,363,876	10,363,876	10,363,876	-	-
Other payables and accruals excluding GST payable	5,303,104	5,303,104	5,303,104	-	-
Amount due to directors	571,300	571,300	571,300	-	-
Total undiscounted financial liabilities	17,115,950	17,191,374	16,625,892	387,612	177,870
Net undiscounted financial assets/ (liabilities)	8,284,279	8,208,855	8,774,337	(387,612)	(177,870)
COMPANY					
2019					
Non-derivative financial assets					
Refundable deposits	**14,105**	**14,105**	**14,105**	**-**	**-**
Amount due from subsidiaries	**14,656,531**	**14,656,531**	**14,656,531**	**-**	**-**
Cash and bank balances	**738,421**	**738,421**	**738,421**	**-**	**-**
Total undiscounted financial assets	**15,409,057**	**15,409,057**	**15,409,057**	**-**	**-**
Non-derivative financial liabilities					
Other payables and accruals	**6,368,829**	**6,368,829**	**6,368,829**	**-**	**-**
Amount due to directors	**77,544**	**77,544**	**77,544**	**-**	**-**
Total undiscounted financial liabilities	**6,446,373**	**6,446,373**	**6,446,373**	**-**	**-**
Net undiscounted financial assets	**8,962,684**	**8,962,684**	**8,962,684**	**-**	**-**

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.4 **Liquidity risk** (cont'd)

COMPANY	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
2018					
Non-derivative financial assets					
Other receivables and refundable deposits	6,095,105	6,095,105	6,095,105	-	-
Amount due from subsidiaries	3,514,122	3,514,122	3,514,122	-	-
Cash and bank balances	515,415	515,415	515,415	-	-
Total undiscounted financial assets	10,124,642	10,124,642	10,124,642	-	-
Non-derivative financial liabilities					
Other payables and accruals	649,399	649,399	649,399	-	-
Amount due to subsidiaries	627,655	627,655	627,655	-	-
Amount due to directors	162,889	162,889	162,889	-	-
Total undiscounted financial liabilities	1,439,943	1,439,943	1,439,943	-	-
Net undiscounted financial assets	8,684,699	8,684,699	8,684,699	-	-

32.5 **Interest rate risk**

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group does not have any floating rate instruments.

The interest rate profile of the Group's and of the Company's interest bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP	
	2019 RM	2018 RM
Fixed rate instruments		
Financial assets	**194,204**	188,907
Financial liabilities	**610,343**	877,670

32. **FINANCIAL INSTRUMENTS** (cont'd)

32.5 **Interest rate risk** (cont'd)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

32.6 **Foreign currency risk**

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are United States Dollar ("USD") and Renminbi ("RMB").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax. A 10% strengthening of RM against the following currencies at the end of the reporting period would have decreased in profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2019	2018
	RM	RM
USD	**(55,394)**	(328,165)
RMB	**24,267**	-
Decrease in profit before tax	**(31,127)**	(328,165)

33. **FAIR VALUE MEASUREMENT**

33.1 **Fair value measurement of financial instruments**

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature. The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

33. **FAIR VALUE MEASUREMENT** (cont'd)

33.2 **Fair value measurement of non-financial assets**

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2019				
Investment properties				
- Freehold land	**-**	**830,000**	**-**	**830,000**
- Leasehold land	**-**	**9,280,000**	**-**	**9,280,000**
- Buildings	**-**	**9,790,000**	**-**	**9,790,000**
2018				
Investment properties				
- Freehold land	-	830,000	-	830,000
- Leasehold land	-	9,280,000	-	9,280,000
- Buildings	-	9,790,000	-	9,790,000
COMPANY				
2019				
Investment properties				
- Leasehold land	**-**	**9,280,000**	**-**	**9,280,000**
- Buildings	**-**	**8,120,000**	**-**	**8,120,000**
2018				
Investment properties				
- Leasehold land	-	9,280,000	-	9,280,000
- Buildings	-	8,120,000	-	8,120,000

Fair value

The fair value for investment properties for disclosure purposes is categorised under Level 2 of the fair value hierarchy (refer to Note 2.2 to the financial statement for definition of fair value hierarchy). The fair value is derived based on appraisal performed by independent professional valuers using the sales comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, age and condition of the building. The most significant input into this valuation approach is price per square foot of comparable properties.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2019	2018
	RM	RM
Total borrowings	**610,343**	877,670
Less: Cash and bank balances	**(6,768,646)**	(6,041,583)
Net cash surplus	**(6,158,303)**	(5,163,913)
Total equity	**79,272,400**	69,247,672
Gearing ratio	**N/A**	N/A

N/A - not applicable as net cash position.

35. SIGNIFICANT EVENT

Disposal of a subsidiary

The details of the disposal of a subsidiary are disclosed in Note 7 to the financial statements.

36. TRANSITION TO MFRS FRAMEWORK

As disclosed in Note 2.4 to the financial statements, these are the first financial statements of the Group and the Company prepared in accordance with the MFRS Framework. The accounting policies set out in Note 3 to the financial statements have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2019, the comparative information presented in these financial statements for the financial year ended 31 March 2018 and the opening statements of financial position at 1 April 2017 (the Group's and the Company's date of transition to MFRS Framework).

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

The adoption of MFRS Framework did not have any material impact to the financial statements of the Group and of the Company except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted MFRS 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Group did not apply any of the other available practical expedient.

The effect of adopting MFRS 15 as at 1 April 2018 was, as follows:

Impact on consolidated statement of comprehensive income

	Note	FRS as at 31 March 2018 RM	Effect of Transition to MFRS RM	MFRS as at 31 March 2018 RM
Revenue	(a)	27,730,987	(42,892)	27,688,095
Cost of sales		(17,201,779)	-	(17,201,779)
Gross profit		10,529,208	(42,892)	10,486,316
Other income		475,441	-	475,441
Administrative expenses		(4,705,421)	-	(4,705,421)
Selling and distribution expenses		(1,093,651)	-	(1,093,651)
Operating profit		5,205,577	-	5,162,685
Finance costs		(23,223)	-	(23,223)
Profit before tax		5,182,354	(42,892)	5,139,462
Tax expense	(b)	(1,815,471)	9,000	(1,806,471)
Profit for the financial year		3,366,883	(33,892)	3,332,991
Profit for the financial year attributable to:				
Owners of the Company		3,369,417	(33,892)	3,335,525
Non-controlling interests		(2,534)		(2,534)
		3,366,883	(33,892)	3,332,991

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

Impact on basic and diluted earnings per share

	FRS as at 31 March 2018	Effect of Transition to MFRS	MFRS as at 31 March 2018
Earnings per share attributable to owners of the Company (sen)			
- Basic/Diluted	1.61	(0.02)	1.59

Impact on the consolidated statement of financial position

	Note	FRS as at 31 March 2018 RM	Effect of Transition to MFRS RM	MFRS as at 31 March 2018 RM
ASSETS				
Non-current assets				
Property, plant and equipment		14,049,840	-	14,049,840
Investment properties		8,962,825	-	8,962,825
Land held for development	(c)	14,678,951	(14,678,951)	-
Inventory properties	(c)	-	14,678,951	14,678,951
		37,691,616	-	37,691,616
Current assets				
Property development costs	(c)	4,045,208	(4,045,208)	-
Inventory properties	(c)	-	20,787,292	20,787,292
Inventories	(c)	18,885,886	(16,742,084)	2,143,802
Trade receivables		12,045,244	-	12,045,244
Other receivables, deposits and prepayments		10,605,203	-	10,605,203
Current tax assets		87,529	-	87,529
Cash and bank balances		6,041,583	-	6,041,583
		51,710,653		51,710,653
TOTAL ASSETS		89,402,269		89,402,269

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

Impact on the consolidated statement of financial position (cont'd)

	Note	FRS as at 31 March 2018 RM	Effect of Transition to MFRS RM	MFRS as at 31 March 2018 RM
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital		226,050,958	-	226,050,958
Treasury shares		(13,873,523)	-	(13,873,523)
Reserve acquisition reserve		(193,196,309)	-	(193,196,309)
Foreign currency translation reserve		(2,929)	-	(2,929)
Retained profits	(a)	51,026,240	(315,643)	50,710,597
		70,004,437		69,688,794
Non-controlling interests		(441,122)		(441,122)
Total equity		69,563,315		69,247,672
Non-current liabilities				
Borrowings		536,283	-	536,283
Deferred tax liabilities	(b)	2,032,528	(9,000)	2,023,528
		2,568,811		2,559,811
Current liabilities				
Trade payables		10,363,876	-	10,363,876
Other payables and accruals		5,403,057	-	5,403,057
Amount due to directors		571,300	-	571,300
Borrowings		341,387	-	341,387
Current tax liabilities		590,523	-	590,523
Refund liabilities	(a)	-	324,643	324,643
		17,270,143		17,594,786
Total liabilities		19,838,954		20,154,597
TOTAL EQUITY AND LIABILITIES		89,402,269		89,402,269

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

Impact on the consolidated statement of financial position (cont'd)

	Note	FRS as at 1 April 2017 RM	Effect of Transition to MFRS RM	MFRS as at 1 April 2017 RM
ASSETS				
Non-current assets				
Property, plant and equipment		14,896,596	-	14,896,596
Investment properties		9,275,020	-	9,275,020
Land held for development	(c)	14,453,991	(14,453,991)	-
Inventory properties	(c)	-	14,453,991	14,453,991
		38,625,607	-	38,625,607
Current assets				
Property development costs	(c)	20,545,149	(20,545,149)	-
Inventory properties	(c)	-	23,971,348	23,971,348
Inventories	(c)	5,199,250	(3,426,199)	1,773,051
Trade receivables		7,431,651	-	7,431,651
Other receivables, deposits and prepayments		1,102,148	-	1,102,148
Contract assets		15,854,519	-	15,854,519
Current tax assets		42,000	-	42,000
Cash and bank balances		1,902,387	-	1,902,387
		52,077,104		52,077,104
TOTAL ASSETS		90,702,711		90,702,711
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital		219,969,958	-	219,969,958
Treasury shares		(13,873,523)	-	(13,873,523)
Reserve acquisition reserve		(193,196,309)	-	(193,196,309)
Foreign currency translation reserve		(2,929)	-	(2,929)
Retained profits	(a)	47,656,823	(281,751)	47,375,072
		60,554,020		60,272,269
Non-controlling interests		(438,588)		(438,588)
Total equity		60,115,432		59,833,681
Non-current liabilities				
Deferred tax liabilities		1,716,528	-	1,716,528
Current liabilities				
Trade payables		20,718,375	-	20,718,375
Other payables and accruals		5,293,367	-	5,293,367
Amount due to ultimate holding company		150,000	-	150,000
Amount due to directors		1,884,946	-	1,884,946
Current tax liabilities		824,063	-	824,063
Refund liabilities	(a)	-	281,751	281,751
		28,870,751		29,152,502
Total liabilities		30,587,279		30,869,030
TOTAL EQUITY AND LIABILITIES		90,702,711		90,702,711

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

Impact on the consolidated statement of financial position (cont'd)

The changes did not have a material impact on other comprehensive income for the period. The impact on the statement of cash flows for the year ended 31 March 2018 only relates to the changes in profit before tax, certain adjustments to reconcile profit before tax to net cash flows from operating activities, and working capital adjustments. However, there was no impact on the net cash flows from operating activities. The cash flows from investing and financing activities were not affected.

The nature of these adjustments are described below:

(a) Sales of diverse plasticware products with variable consideration

Some contracts for the sales of diverse plasticware products provide customers with a right of return, volume rebates and trade discounts. Before adopting MFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and discounts and volume rebates. If revenue could not be reliably measured, the Group will defer recognition of revenue until the uncertainty was resolved. Under MFRS 15, rights of return, volume rebates and trade discounts give rise to variable consideration.

(i) Rights of return

Under MFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods that will be returned. For goods expected to be returned, the Group presented a refund liability in the statements of financial position. Upon adoption of MFRS 15, the Group recognised *Refund liabilities* of RM149,982 for the expected sales return from the customer as at 1 April 2017.

The statement of financial position as at 31 March 2018 was restated, resulting in recognition of *Refund liabilities* of RM141,297 and decreased in *Retained profits* of RM141,927. The statement of profit or loss for the year ended 31 March 2018 was also restated, resulting in an increase in R*evenue from contracts with customers* of RM8,685.

The statement of financial position as at 31 March 2018 was restated, resulting in recognition of *Refund liabilities* of RM141,297 and decreased in *Retained profits* of RM141,927. The statement of profit or loss for the year ended 31 March 2018 was also restated, resulting in an increase in *Revenue from contracts with customers* of RM8,685.

(ii) Volume rebates and trade discounts

Under MFRS 15, retrospective volume rebates and trade discounts give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold. Upon adoption of MFRS 15, the Group recognised *Refund liabilities* of RM131,769 for the expected future rebates and trade discounts as at 1 April 2017.

The statements of financial position as at 31 March 2018 was restated, resulting in recognition of *Refund liabilities* of RM183,346 and decreased in *Retained profits* of RM183,346. The statements of comprehensive income for the year ended 31 March 2018 was also restated, resulting in a decrease in *Revenue from contracts with customers* of RM51,577.

(b) Other adjustments

In addition to the adjustments described above, upon the adoption of MFRS 15, other items of the primary financial statements such as deferred taxes and income tax expense, were adjusted as necessary.

36. **TRANSITION TO MFRS FRAMEWORK** (cont'd)

Impact on the consolidated statement of financial position (cont'd)

(c) Classification of inventory properties

The details are disclosed in the following with the title of "Land held for development and property development costs".

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied MFRS 9 retrospectively, with the initial application date of 1 January 2018.

Classification and measurement

The classification and measurement requirements of MFRS 9 did not have a significant impact to the Group. The Group continues to measure at fair value all financial assets previously held at fair value under MFRS 139. Trade receivables previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Impairment

The adoption of MFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. MFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The Group applies simplified approach to recognise lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporates forward looking information. Given that (i) the customers of the Group are mainly well established and financially sound companies with no history of default in prior years, the management considers the historical default rate of the financial assets to be minimal; and (ii) the customers of the Group operate in the geographical regions where no adverse change in the business environment is anticipated, the management considers that the forward looking default rate to be minimal across all ageing bands. As a result, no allowance for expected credit losses of trade receivables is made as the impact is insignificant.

For other financial assets measured at amortised cost, the Group applies general approach to recognise 12-month ECL as there is no significant increase in credit risk since initial recognition. After considering the factors as disclosed in Note 3.8 (iii) to the financial statements, the management is of the opinion that ECL rate applied for other financial assets measured at amortised cost is insignificant as the risk of default is low.

Land held for development and property development costs

All of the Group's land held for development and property development costs previously measured under FRS 201 are measured under MFRS 102 as inventory properties.

ACME HOLDINGS BERHAD (189740-X)

Proxy Form

No of ordinary shares held	
CDS Account No.	

*I / We ______________________________ *NRIC / Company No. ______________________
(Full Name in Block Letters)

of ____ being *a Member / Members of
(Full Address)

ACME Holdings Berhad, hereby appoint (Proxy 1) ______________________________
(Full Name in Block Letters)

* NRIC / Passport No. ________________________ of ______________________________

____
(Full Address)

and* / or failing him / her* (Proxy 2), ______________________________
(Full Name in Block Letters)

* NRIC / Passport No. ________________________ of ______________________________
(Full Address)

______________________________________ and*/ or failing him*, the Chairman of the Meeting, as *my / our proxy / proxies to attend and vote for *me / us and on *my / our behalf at the **Twenty Ninth Annual General Meeting** of the Company to be held at Kelawai Room, Lobby Level, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Georgetown, Pulau Pinang on Wednesday, 28 August 2019 at 10.30 a.m. and at any adjournment thereof to vote as indicated below:

AGENDA

To receive the Audited Financial Statements for the year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon

	Ordinary Resolution	**For**	**Against**
1.	Approval of payment of Directors' fees and Directors' benefits for the financial year ending 31 March 2020		
2.	Re-election of Dato' Sri Dr. Lee Kuang Shing as Director		
3.	Re-election of Mr. Lim Shiou Ghay as Director		
4.	Re-election of Mr. Tan Chee Keong as Director		
5.	Re-appointment of Messrs. Grant Thornton as Auditors and to authorise the Directors to fix the Auditors' remuneration		
6.	Authority under Section 75 and Section 76 of the Companies Act 2016 for the Directors to issue shares		
	Special Resolution		
7.	Proposed adoption of new Constitution		

Please indicate with an "X" in the spaces provided above as to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his / her discretion.

The proportion of *my / our holding to be represented by *my / our proxies are as follows:-

Proxy 1	%
Proxy 2	%
	100%

In the case of a vote taken by a show of hands, the First Proxy shall vote on *my / our behalf.

No. of shares held [ ]

As witness my hand this …………….. day of ……………………, 2019.

....
Signature of Member (s) / Common Seal

* Strike out whichever is inapplicable

Notes:
1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-E, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his / their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 64(3) of the Company's Articles of Association (Constitution) and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 15 August 2019 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and / or speak and / or vote in his / her behalf.
8. All resolutions as set out in this notice of Twenty Ninth Annual General Meeting are to be voted by poll.

Fold along this line

Stamp

The Secretaries
ACME HOLDINGS BERHAD (189740-X)
Registered Office
51-8-E, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Georgetown
Penang
Malaysia.

Fold along this line

ACME Holdings Berhad (189740-X)

Property development division:
488A-16-01 Office Tower
Kompleks Midlands Park
Jalan Burma
10350 Penang.
Tel: (604) 210 9911

Manufacturing division:
1, 2, 7 & 8, Jalan PKNK 3
Kawasan Perusahaan LPK Fasa 3
08000 Sungai Petani
Kedah Darul Aman.
Tel: (604) 442 6888 Fax: (604) 442 6448